Weekend May 20/May 21 1989

Not just Number I in Plumbing Supply WOLSELEY

WORLD NEWS

Dockers vote in favour of strike action

Britain's 9,400 registered dockers have voted by a major ity of 74.3% to take strike action over the refusal of port employers to negotiate a new national agreement covering terms and conditions after the abolition of the dock labour scheme. The turnout was 90.8%, with 6,333 registered dockers voting for strike action and 2,191 against. Train drivers' union Aslef ruled out any new strike ballot over British Rail's pay policy.

Nuclear deal nearer The US and West Germany moved towards a compromise aimed at avoiding a Nato split over the future of short-range nuclear missiles in Europe.

Italian premier resigns Ciriaco De Mita resigned as Italy's 48th post-war prime minister after 13 months in office. Page 2

Workers suspended British Steel suspended 450 workers at its plant in Wor-kington, Cumbria, after a oneday strike in a dispute over flexible working practices.

TV Reences curb Home Office minister Tim Ren-ton announced plans to stop media groups owning more than two of the new regional TV licences and national news paper owners from taking stakes of more than 20 per cent

in any licence. Page 4 Policing agreement Britain and France signed an agreement in Paris to increase police co-operation against terrorism, organised crime, drugs trafficking and illegal immigra-

Mellor AIDS warning

The battle to prevent an AIDS epidemic in Britain is hanging in the balance, Health Minister David Mellor warned. Drug addicts infected with the HIV virus are the bridgehead for spreading the disease into the general population, he told a conference in London.

Hungarian rights group A group of intellectuals in st launched a Hungarian Helsinki Committee, affili-ated to the International Helsinki Federation of Human Rights, to monitor abuses of human rights.

Sewage ruling defended Environment Secretary Nicho-las Ridley defended his decision to allow sewage treatment plants to break EC polintion limits until 1992. He said water authorities were spending £1bn to bring plants up to standard but in the meantime faced the problem of effluent discharges.

itsh union call Spain's two main trade unions called for a one-day pay strike next month, affecting rail and air transport, communications

and manufacturing industry.

The semi-finals of the world chess championahip will be held in London in October. The contenders for the right to challenge world champion Gary Kasparov will be English-man John Speelman, Dutch-man Jan Tinman and Soviet players Anatoly Karpov and Artur Yusupov.

Britain in the hot seat Britain is enjoying its hottest May for 25 years after one of the coldest Aprils on record. The highest recorded tempera-ture so far this month is 79F (26C) in Bristol, compared with average temperatures for May of 61F (16C).

Weather, Page 22 Musical parting

A frame containing locks of hair from Mozart and Beethoven was sold by London auctioneer Sotheby's for £11,000. A 1789 manuscript of an aria for soprano, by Mozart, sold for £104,500.

brewing operations

Bond Corporation Holdings, Australian company controlled by entrepreneur Alan Bond, is to sell its worldwide beer operations for A\$3.5bn (£1.7hn) to Bell Resources, a 58 per cent subsidiary of Bond. Page 22 and Lex

SHARE PRICES in the UK rose sharply to their highest level since the October 1987 stock market crash, despite poor April inflation and bank lend-

FT Index Ordinary share (hourly movements)



15 May 1989 19 ing figures. The FT Ordinary Share Index rose 27.4 to 1,837.5, an increase of 58.4 on last Fri-day's close. Page 22

HONG KONG'S stock exchange suffered its biggest daily fall since the 1987 crash as concern about developments in Peking caused panic selling. The Hang Seng Index fell 126.7 points to 3,145.63. Page 18

FORKER, Dutch aerospace group bidding with GRC for-Short Brothers of Belfast; will scrap Short's proposed £500m FIX commuter aircraft and phase out final assembly of commercial aircraft if its bid succeeds. Page 4

OMNICOM, world's fourth big-gest advertising agency group, emerged as a white knight for Boase Massimi Pollitt, UK agency and marketing group contesting a £118.5m leveraged bid from Boulet Drn Dupuy Petit of France. Page 8.

BRITISH Blotechnology has raised £20m, a filled of it from Japanese investors, to assist programme. Page 5

JAPANESE wholesale prices increased by 2.5 per cent last month, compared with the same month last year, easing fears of a resurgence of infla-tion, Page 3

ARGENTINA announced the atest in a series of emergency economic measures, including an immediate 40 per cent rise in public sector tariffs, 30 per cent export duties on agricultural products and the suspen sion of tax relief on industrial exports, Page 2

US has threatened action . . against the EC for allegedly fleuting international trade rules by adopting a law that could impede US TV broad-casts in the EC. Page 2

ESSO Hallana, subsidiary of Exxon of the US, lodged a legal complaint against the Italian Government over its failure to raise petrol prices in line with an EC index. Page 10

SOUTH AFRICAN gold mines Kast Rand Proprietary Mines and Durban Deep, managed by Rand Mines group, are threatened with closure unless the Government heeds appeals for financial help. Page 10

LONRHO, international trading conglomerate, announced a 49 per cent rise in interim pre-tax profits to £120m. Most of the gain came from a £38.4m profit on the sale of whisky stocks, Page 8; Lex, Page 22

FERRUZZI Agricola Finan-ziaria, Italian industrial holding company that controls Montedison and Eridania, more than doubled 1988 net profit to L301bn (£130m) after minori-

NEXT is selling its Dillons and Preedy newsagent chains to T&S Stores in a £58.9m deal which should nearly double the turnover of the West Midlands company. Page & Lex,

Troops ordered into Peking

THE CHINESE Government ordered troops into Paking yes-terday as it prepared to crack down on pro-democracy demonstrators who have occupied Tiananmen Square, sparking off massive protests around the country.
Li Peng, the Prime Minister

in a strong indication that force may soon be used to end the week-long student hunger striks and five-week campaign for political reform, said there would be no Government if the demonstrations : continued. There was therefore no choice but to fetch the army.

"The army is to protect order," II said on television.

order," Li sald on television. The government would use "responsible" measures to "restore social order".

President Yang Shangkun, also speaking on television, said troops had come from outside Peking to restore order in the capital. "The Liberation Army is here to protect Peking society, its people and its future. We were forced to send

future. We were forced to send the Liberation Army into the city," he said. Tension in the square rose as more students became aware that the Government was about to crack down. However, the mood remained deflant as students formed into ranks in anticipation of the arrival of truckloads of soldiers. Students said they would block the road

INFLATION in Britain

accelerated to 8 per cent last month, its highest annual rate

since Angust 1962, amid clear signs that it has yet to peak.
Contrary to widespread expectations of a slight slow-down, a 1.8 per cent jump in the retail price index between March and April was announced by the Department of Employment vesteriay.

of Employment yesterday.

About half the rise reflected

yearly increases in housing

costs such as rents, rates and water, and a first instalment of

higher gas and electricity prices. Food and clothing prices also rose, while an unexpectedly sharp petrol price rise

nudged the annual rate up

.. The latest figures are acutely

embarrassing for the Prime Minister, who has staked much

of her reputation for sound

government on an ability to control inflation, and for Mr

Nigel Lawson, the Chancellor, who once said that inflation was "judge and jury" of gov-

ernment economic policy.

from 7.9 per cent in March.

By Peter Norman, Economics Correspondent

enter the square.

The students, singing and chanting in the square, said

if the army trucks attempted to stay here for the future of China," said a student from the central city of Hangzhou. Another said: "I thought we were close to victory. Now I

troops in the square during the early hours of Saturday morn-ing, but army trucks trying to enter the city were being blocked by Peking residents. One convoy of 100 army

men was blocked in a western suburb by around 10,000 people chanting "Don't let them through" and pasting pro-su-dent posters along their sides as the soldiers looked on. Reuters news agency reported that President Yang hangkun had imposed martial law, but there was no indepen-dent confirmation. Two US television networks and Associated Press news agency reported that Zhao Ziyang, the reported that Znao Ziyang, the Communist Party Secretary, had offered his resignation but that the offer was still being considered by party colleagues. Earlier yesterday, in an unexpected gesture to the students, Zhao and Li drove into

Tiananmen Square by mini-bus just before 5am. Zhao shook hands with the Zhao shook hands with the strikers, then on their seventh day of fasting, and told them he was sorry it had taken so long for the senior leaders to visit them. "You have put forward criticism and that's good, (but) I advise you now to stop the bunger strike," he said.

Li did not speak or stay long and emerged from the souare

and emerged from the square looking pale and grim-faced. Students are demanding government recognition of their new, independent student organisations, including live televised talks between the Continued on Page 22 Man In The News, Page 6

Weekend



LONG ROAD TO ENGLAND

Christian Tyler on the problems Asian migrants and their children have in adapting to life in Leicestershire Page I

Finance

Eric Short says that time is running out if you want to make a decision on your pension options Page V

Diversions

A timetable for The English Season. But is it still the same?

Page XXIII

Travel

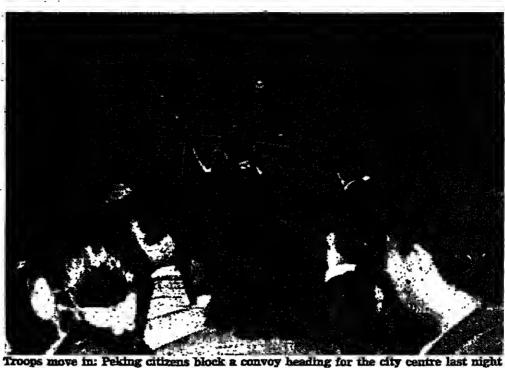
Michael Wigan visits Scotland, and David Scott wanders off the beaten track in Japan Page XX-XXI

Property John Brennan looks at the advantages of life at the water's edge Pages XIII-XIX

Arts Nigel Andrews at the Cannes film festival

Pages XXII-XXX Sport

lan Hamilton Fazey on Kenny Dalglish and Teresa McLean on Leicestershire cricket Page XXVIII



they would remain passive if the army tried to force them to leave. "Tonight we have to

change over previous year

June'87 1988 Apr'89

ticians. Mr Neil Kinnock, the

Labour leader, said the figure was "very bad" and more than

double the European average.

"The year-on-year inflation figure should have started to

fall this month. The fact that it

hasn't shows the extent of the

mess that the Government has made of its policies and is mak-

ing of people's living costs," he

8% UK inflation is post-1982 high

see it's far away."

annual rate to around the level

that Mr Lawson said would be this year's inflation peak in his March Budget speech. Govern-ment officials now admit pri-vately that inflation has yet to

peak before falling towards the

The annual rate of inflation

was generally expected to fall in April following Mr Lawson's

Budget decision not to increase

daties on tobacco and alcohol in line with rising prices. Yes-

terday's news has increased doubts among City economists that the Government can

attain the 5.5 per cent annual inflation rate forecast for the

burg Securities said inflation was unlikely to be much below

7 per cent at the end of 1989

and would probably peak

a lower annual inflation rate have been based in part on the

fact that the steep mortgage

interest rate increases of

The Government's hopes for

final quarter of this year.

around 8.5 per cent.

end of this year.

rules out **EMS** move ever, figures out yesterday showed the underlying annual rate of inflation, excluding mortgage interest rates, also

By Philip Stephens, Political Editor

Thatcher

rose to 5.9 per cent in April from 5.7 per cent in March and 4.2 per cent in April last year. MRS Margaret Thatcher, the British Prime Minister, yester Further prices increases are in the pipeline. Milk, gas, elec-tricity and coach fares have all day publicly rejected calls from senior Cabinet ministers to take sterling into the European Monetary System, blamgone up this month, while peting the recent surge in infla-tion on attempts last year to peg sterling to the D-Mark. rol prices have increased further by about 9p per gallon. The Government announced a hig increase in the tax and prices index. Taxpayers would have needed an 8.3 per cent increase in gross taxable In what appeared to be an attack on Mr Nigel Lawson, the Chancellor, Mrs Thatcher underlined her objections to income to compensate for the increase in retail prices in the full EMS membership. As the Government published figures at 8 per cent last month, she said: That's where we picked 6.1 per cent in March and only 1.7 per cent in April last year. The retail prices index rose up inflation actually ing to shadow the D-Mark."
Her comments, in a BBC

to 114.3 (base January 1987=100) in April from 112.3 in March, while the tax and prices index advanced to 109.8 (base January 1987=100) last month from 108.5 in March. Bank lending slows, Page 4; Editorial Comment, Page 6; London stocks, Page 15; Shares rise, Lex, Page 22

radio interview, came at the end of a week of turmoil within the Conservative Party over the approach it should adopt to pressures for closer integration in the run-np to the single European market. Continued on Page 22

SHIPLEY

INVEST UP TO £15,600 THIS YEAR

August and October last year will cease to influence the The latest rise brings the The increased inflation was index during the year. How-Blue Arrow provision of £42m to cover loan and venture

By Vanessa Houlder

Blue Arrow, the embattled employment agency, yesterday announced that it was making provisions of £42.8m to cover a controversial £25m loan made in a company controlled by Mr Peter de Savary, the entrepre-neur, and costs including those for an America's Cup venture. The announcement, in a long awaited circular to share-holders following months of boardroom turnoil, came as it was disclosed that Mr Tony Berry, the former executive chairman, had resigned as a director.

The provision to cover the 225m loan provoked a furious response from Mr de Savary. In a statement to Blue Arrow shareholders, he said he dis-agreed fundamentally with the

The 20-page circular also drew a protest from Mr Berry. who disassociated himself from its contents, saying he was concerned about its "tone and presentation."

The loss to Mr de Savary's company was made before Mr Berry was ousted as Blue Arrow's chief executive in January following criticism over his management style. At the time, he was accused of authorising the loan without the agreement of non-executive

Yesterday's circular said that the directors were satis-fied that they did not authorise the completion of the loan. It added, however, that Mr Berry believed he had the authority to proceed with the transac-The circular also revealed

that Mr Berry, resigned from the board on Thursday. It stated that, before the security of the loan was in doubt, he had received compensation of £1.15m for being stripped of executive duties in January. It said that although Mr Berry had received certain legal indemnities, no release was given with respect to the loan agreement or £6.3m involved in the Blue Arrow Challenge, the company's joint effort with Mr de Savary to enter a future America's Cup

The circular also said that in November Mr Berry took an unanthorised dscision to restore the company's commit-ment to the Blue Arrow Chal-lenge. Without shareholder approval for Mr Berry's decision, the joint venture should have been terminated as a result of a US court decision which ruled that only a New Zealand entry was eligible for the race. Mr Mitchell Fromstein, who

replaced Mr Berry as chief executive, said that no legal action was likely to be considered until the loan's expiry date of June 1991.

The circular also revealed that Blue Arrow was making a further provision of 19,4m for restructuring costs and £2.1m for compensation to former directors. The share price of the group which made pre-tax profits of £75.1m last year, fell 2½p to 98p.
The Blue Arrow circular said

full provision for the loan to Mr de Savary's company was made after valuations of a property venture at Canvey Island in Essex on which the money is secured. Lex, Page 22

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Weekend IX-XII

Landon . SE Dealings ... 12.13 3,4

11 Overseas News .

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\$365,75 (370,50) N SEA OIL (Argus) Brent 15-day Jun \$17.925 (-0.175)

\$ index 71.1 (71.3) Tokyo ciose: Y138.77 US LUNCHTIME RATES Fed Funds 93, % 3-mo Treasury Bills: yield: 8.546% Long Bond: 10112 yield: 8.717%

DM1.9895 (1.9665)

FFr6.6700 (6.6500) SFr1.7575 (1.7570)

Y138.75 (138.85)

New York iun DM1.9733

FFr6.6815

SFr1.7610

Y138.925

FT Ordinary: 1,837.5 (+27.4) FT-A All Shere: 1,131.41 (+1.2%) FT-A long gilt yield index high coupons 9.40 (same) **New York Junch!** DJ Ind. Av.

STOCK MIDICES

2,204.7 (+27.4)

FT-SE 100:

2,489.92 (+19.80) Tokyo: Nikkei 34,000.98 (+144.65) LONDON MONKY 3-month interbank: closing 1233% (same) CONTENTS

Deng Xiaoping . . **Editorial Comments**

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De Mita quits as election campaign rivalries topple Italian coalition

By John Wyles in Rome

PARTY rivalries, sharpened by the approach of next month's European elections, last night hrought down Italy's 48th post-war government when the Christian Democrat prime minister, Mr Ciriaco De Mita, resigned after little more than

13 months in office.

The crisis could last until the outcome of the European election is known on June 18, when the politicians would use the results to bargain for a new

Early national elections - the present legislature runs until 1992 - cannot be ruled out, particularly if the campaign is a hitter one and the outcome a decisive gain in support for either, or both, of the two main governing par-ties, the Christian Democrats and the Socialists. Mr De Mita's fall will be seen

as a more serious stage in the steady degradation of the Ital-

ian political system than the sinking of many of his prede-

Since Mr Bettino CraxL the Socialist leader, resigned as prime minister in March 1987, the five coalition parties have shown dwindling determination to co-operate successfully under Christian Democrat leadership. All, however, continue to oppose an alternative coalition with the Communists, who remain Italy's second larg-

Against this gloomy back-ground, the task now falls to Italy's President, Mr Francesco Cossiga, to begin sounding out all party leaders on the possible formation of a new coalition, having asked Mr De Mita to stay on in a caretaker role.

The parties will spend much of the next few days hlaming each other for this latest crisis, which owes more to electoral calculations to than tha government'e acknowledged fail-

ings.

The coalition has been struggling for authority ever eince Mr De Mita lost the leadership of his party in February, and the question of when it would fall began to be answered last week when Mr Giorgio La Malfa, leader of the Republi-

cans, started intoning the last rites in a speech to his party's Congress in Rimini.

This was partly to steal thunder from Mr Craxi, who was everybody's tip for tha task of despatching Mr De Mita. Opening his party's Con-gress in Milan last Saturday, the Socialist leader saw no more virtue in Mr De Mita than did Mr La Malfa, but he avoided threatening to pull the government down, saying ha was leaving that decision to

the Congress.

Mr De Mita, meanwhile, showing the taut nerves which

have characterised his premier-ehip, lashed back against the Republicans this week by calling their much respected presi-dent, Mr Bruino Visentini, a dotard and by insisting on clear and instant declarations of support as soon as the Socialist Congress finished. Instead, Mr Craxi delivered the coup de grace when closing his Congress yesterday. He mocked the intemperate nature of Mr De Mita's statements this week and blamed tha prime minister for the crisis.

minister for the crisis.

The Socialists were still ready to collaborate with the Christian Democrais to provide a government, said Mr Craxi, but they wanted "to encourage much greatar trust and energy" in a political system which was clearly running down. Mr Craxi's recipe for down. Mr Craxi's recipe for recovery is reform based on referenda and direct election of the president.



MRS Imelda Marcos (above, leaving the hospital where her husband, former Philippines President Ferdinand Marcos,

President Corazon Aquino to let him return home from exile in Hawaii, agencies report. "He is very ill, his temperature has risen and he is in critical condition," Mrs Marcos said. Doctors say Marcos, 71, is near death. President Aquino has declared she will not allow Marcos to come home, despite appeals.

protests

HK march

backs China

HUNDREDS of demonstrators

HUNDREDS of demonstrators supporting the Peking democracy movement last night marched to the Hong Kong offices of Kinhua, the Chinese news agency and unofficial local Chinese embassy, where a hunger strike has been in progress all week, John Elliott reports from Hong Kong.

One of about a dozen hunger strikers, collapsed and was taken to hospital yesterday. Meanwhile, Kinhua parked a small hus outside its office to

small bus outside its office to provide shelter for the demon-strators from a possible typhoon which is threatening

Emergency package for Argentina

Ev Gary Mead in Buenos Airea

FACED with an increasingly serious economic crisis, Argentina's Radical government has announced the latest in a series of emergency measures, including an immediate 40 per cent increase in all public sector tariffs, 30 per cent export duties on agricultural products and the snspension of tax reliefs on industrial exports,

More measures are expected over the weekend. There are strong unofficial snggestions that the government may announce a major devaluation, and introduce a new currency. Telephone and postal

charges, as well as all transportation, energy and fuel prices have now been increased by a

Andriessen tells

MR Frans Andriessen, EC

External Affairs Commissioner, warned the US yester-

day against stepping outside Gatt world trade rules to solve

disputes and questioned its commitment to multilateral talks, Renier reports from

compatible with Gatt," he told

the European-American jour-

nalists conference in Anna-

He gave as an example Washington's demand for negotiations on telecommunica-

tions. The US has identified

the EC as a "priority country" to which it wants better import

New US legislation empow-

ers Washington to impose sanctions on trade partners from whom it does not get sat-isfaction once a US-defined dis-putes procedure is exhausted.

demand of the US government for bilateral negotiations with

a view to improving access to the Community market in tele-communications products and

He protested against Washington's demand for negotia-

tions despite liberalisation of

the EC market in preparation for the single market after

1992, and despite the current round of Gatt talks to free

He also protested about Washington's failure to abolish a discriminatory "Superfund" tax on imported petroleum that a Gatt panel rulad illegal

nearly two years ago.
"Such failure leaves some doubt whether Washington is

really determined to participate seriously in the negotia-tions in the Uruguay Round

which aim at reinforcing the dispute settlement procedure,"

Mr Andriessen said. The so-called Superfund law

imposed a tax on imported oil

greater than a similar tax on

polis, Maryland.

US to work

within Gatt

total of 72 per cent during May. Despite these drastic increases it is estimated that public sec-tor charges are etill lagging behind inflation by more than

10 per cent. Inflation in May is likely to be well over 50 per cent, follow-ing a jump in retail prices of 33 per cent in April

The emergency measures come at a time when President Raul Alfonsin'e government – which has only six months left in office - is under considerable economic pressure on a number of fronts. On Monday, some \$250m worth of govern-ment bonds (known as TIDOL II), equivalent to 28 per cent of monetary circulation and

By Ian Davidson in Paris

THE French and German

governments have responded to British Prime Minister Mar-garet Thatcher, and raised the stakes in the growing political controversy over the future of

tha European Community, with a declaration which reas-serts their common commit-

ment to the objectives of a

en German Foreign Minis-

ter Mr Hans-Dietrich Genscher

and Mr Roland Dumas, his

The declaration does not

name Mrs Thatcher, but French officials confirm that it

is designed as a high-level pol-icy statement in reaction to the increasingly strident attacks of

the British leader on the plans

of the European Commission

and other member govern-

ments to build a more inte-

MRS Danielle Mitterrand, wife

warned yesterday of "an explo-sion" if Turkey does not soon grant political refugee status to

36,000 Kurds who fled from Iraq last September, and allow them to receive international

help.
Mrs Mitterrand, who visited

the refugees three weeks ago, said 300 children had died of cold last winter in one of the

camps, at Mardin, where the temperature had fallen to minus 20° C, and she feared more would die of dehydration

in the summer heat.

Already the heat had been

"unbearable" in the tents dur-

ing her visit Moreover, no

schooling was being provided for the 20,000 children under 14, and the refugees had no means of supporting them-selves, being virtual prisoners in the three camps — at Mus,

of the French President,

Mrs Mitterrand in call

to Turkey over Kurds

French counterpart.

grated Community.

By Edward Mortimer

"It would be highly damaging for further improvement of international trade relations between the 12 member states.

when people think immediate but lasting solutions could be imposed through means not a meeting on Thursday he-

almost 58 per cent of cash in current accounts, are due to

Up to \$40m of TIDOL II will be covered by the issue of a new bond but the other \$210m is likely to feed directly into the money markets and immediately go into the purchase of US dollars (thus driving down the Argentine currency, the

austral) and goods.

The austral traded at 200 to \$1 yesterday, against its Jannary figure of 17. Interest rates have coared during the last week, reaching a monthly 200 per cent for large depositors, as banks try to attract loans in an increasingly frenetic market.
The situation is further com-

The initiative for the joint declaration appears to have

come from the Bonn govern-ment, which is anxious to off-

set French complaints that

Germany has recently proved unhelpful in a number of eco-nomic decisions relevant to the

future development of the EC,

ranging from increases in

interest rates to the abandon-ment of the 15 per cent with-holding tax on bonds. Presi-dent François Mitterrand reverted to these sore points in

his press conference on Thurs-

In addition, the Bonn gov-ernment is concerned to

counter the growing political

debate within Nato over the Lance short-range nuclear mis-

sile, and disparaging comments in some other alliance countries, that West Ger-many's refusal to make a com-

mitment to replace the missile,

and its demand for early nego-tiations with the Soviet Union,

spell a weakening of Ger-

many's links with the West

Diyarbakir and Mardin - all of

which were eurrounded hy

barbed wire. The Turkish authorities had not allowed them to keep the herds they

brought with them from Iraq.
Turkey has refused to grant
the Kurds refugee status or to
allow them to receive help
directly from international

non-governmental organisa-tions, insisting that financial aid be given from state to state and channelled axclusively through the Turkish Red Cres-

cent. These conditions are unacceptable to the UN High Commission for Refugees, and negotiations with Turkey have

Mrs Mitterrand said most of

the refugees wanted to stay in Turkey to be near their homes. About 600 said they would like to go to west European coun-tries — mainly West Germany

tries - mainly West Germany and Sweden - hut only about

Bonn and Paris firm on EC

plicated by Argentina's current political context. Negotiations between Mr Alfonsin's government and Perónist Presidentelect Carlos Menem have so far failed to agree to share respon-sibility for national economic

nanagement. Mr Menem said on Thursday that the Alfonsin administration is solely responsible for whatever decisions it makes before December 10, when Mr Menem is to take over.

Members of his team have already strongly condemned the latest public-sector price increases, and trade unions are contemplating strike action, starting next week, in protest at the measures.

and risk undermining Nato'e

Every objective endorsed in the Dumas-Genscher text is in

manifest contradiction with

the views of Mrs Thatcher. The

two foreign ministers empha-sise "the importance they

attach to Social Europe, which constitutes an essential aspect of the Internal Market", and whose implementation must be

matched, they say, "by social

progress and not by regress".
The ministers also welcome

the recent report of the Delors

Report on a three-stage move

towards economic and mone-

tary union, and express the

hope that next month's Euro-

pean summit in Madrid will take the necessary decisions

to implement this report in all

that progress in these areas,

together with a strengthening

of European political co-opera-tion on foreign policy, will enable the Twelve to make

Danielle Mitterrand: visited

40 to France. She was "working on" the Franch Interior Minis-ter, Mr Pierre Joze, to get him

to open the frontiers. About her husband's attitude she was noticeably discreet, but said

she would raise the matter "at the highest level" during their visit to President George Bush

progress towards union.

The two governments claim

its aspects",

strategy of deterrence.

homemaker protests his innocence

By Alan Friedman in Milan

IT was a speciacle right out of some Hollywood film, Grade B. Yesterday morning, in a cramped and crowded smoke-filled room near one of Milan's seedlest train stations, Mr Salvatore Ligresti, a 57-year-old Sicilian property developer and entrepeneur who has been sentenced to prison for illegal construction activities, faced more than 50 journalists for the first time and for nearly two hours hammered home

one theme; his hanocence.

Mr Ligresti, who sits on the
board of Mediobanca, the Milan merchant bank, and

Milan merchant bank, and who controls three publicly quoted companies and \$2.5m. in revenue from construction, insurance, hotel, ceramic and other industrial businesses, is nothing if not controversial.

Three years ago, when he first broke silence to speak with the Financial Times, Mr Ligresti told of his past hardships as a newly arrived immigrant from Sicily and claimed; "It was because I suffered in an ugly bedsit for years that I now want to build apartments where people will be happy."

But the Italian press, and Italian magistrates, have spent months examining his afleged ties with local politicians in ties with local politicians in Milan amid a barrage of accu-sations that he has obtained all sorts of favours in the prop-erty development sector. Did he know former Milan mayor

he know former Milan mayor Carlo Tognoli, one Italian reporter demanded. "An entre-preneur must have good rela-tions with all politicians," replied a blithe Mr Ligresti. Did the city councillor for urban planning live in one of his apartment blocks? "Can

his apartment blocks? "Can you imagine how many politicians happen to live in my buildings?" retorted an indignant Mr Ligresti.

But why all the criminal and civil charges? Were his enemies merely mounting a fake scandal against him, he was then asked. "Everything is hlown ont of proportion," replied the man who a few years ago proudly proclaimed his "strategy of alliances" with Carlo De Benedetti, Leopoldo Pirelli, Raul Gardini and poldo Pirelli, Raul Gardini and

poldo Pirelli, Raul Gardini and other hig name Italian capitalists. "Success", sighed the serene Sicilian, "has its price, and these charges against me are perhaps a price,"

And finally, just to round out the bizarre Milanese session, Mr Ligresti was asked whether he had any financial backing from Sicily, and especially from hlood relatives in Sicily. The backing, answered the cherubic Sicilian, was all from bank loans. "The Ligresti group is me. Alone. There are no Sicilians. There is no one else, Just me."

And he reminded everyone present that as far as the criminal conviction was concerned: "We are lodging an appeal."

US threatens EC in Milanese TV broadcasts row

WASHINGTON has threatened action against the European Community for allegedly fouting international trade rules by adopting a law that could impede US TV broadcasts in the EC.

in a letter from Mrs Carla Hills, US Trade Representative, to the Brussels authorities and

Mrs Hill'e letter comes a few days before the European Par-liament is due to give the plan a final reading to pave the way for full adoption by EC governments, under strong pressure from the Community film industry to push for tougher

The row follows toppying by US film compenies, which sold TV programmes worth \$650m to the EC last year, one of the few sectors where the US runs a trade surplus with the EC.
Mrs Hills threatens to
demand compensation in the General Agreement on Tariffs

nity for investigation under Section 301, unless Brussels abandons any suggestion of

EC officials accomed the complaint, voicing suspiction as to why Washington should com-plain three years after the Commission tabled the plan. "They are not exactly whiter than white on this issue themselvee," one diplomat

US programmes occupy less than 20 per cent of total EC programming time, well below their target quota for a market expected nearly to double by the early 1990s.

The directive is in any case couched in flexible terms, officials emphasised.

"This directive sends a message to Americans that the EC 1992 initiative is indeed being used to construct a Fortress Europe... Whatever benefits this directive might promise to bring to Europe will undoubt-edly be outweighed by its nega-tive impact on our bilateral trade relations," the letter

Mrs Hills claims the local content requirements in the directive contravene Gatt provisions on equal national treatment and jeopardise America's trade privileges under its Most Favoured Nation status. Commission officials main-

services, a matter yet to be

dent or a civilian minister of

defence. Mr Patricio Aylwin,

typhoon which is threatening
Hong Kong this weekend from
the South China Sea.
Mr Ku Jiatun, director of the
agency and de facto Chinese
ambassador, met the hunger
strikers and advised them to
look after themselves. But
plans for formal talks were
abandoned after he refused to
onem them to lournalists. open them to journalists.

Hungarian visitor

Czechoslovakia, angered at Hungary's decision to pull out of a controversial joint dam project, said Hungarian pre-mier Miklos Nemeth would visit next week, apparently to discuss the future of the scheme, at the invitation of premier Ladislav Adamec, AP reports from Prague.

Dissidents held

Dissident poet Ko Un and another dissident leader were indicted yesterday on charges of violating South Korea's rigid National Security Law, which bans contact with com-munist North Korea, the prosecution authorities announced,

AP reports from Seoul.

Mr Ko, 56, and Mr Lee
Jacob, 45, a leader of a dissident alliance, who were
arrected on April 3, had
sought private talks in Panmunion with North Koreans on national reunification.

S African warning

South Africa Law and Order Minister Adrian Vlok, signaling a likely renewal of South Africa'e three-year of emergency, said yesterday that political violence would escalate shead of elections in September Parties reports from tember, Reuter reports from

the leading opposition presi-dential candidate, says he hopes Gen Pinochet will leave of his own accord. Gen Zincke's personal sup-port for a Pinochet presidential candidacy echoes a campaign by the far-right in favour of the general. The constitution pro-hibits Gen Pinochet from

standing and so far there is little evidence suggesting this is likely to change.

By Julian Ozanne in Nairobi

THE Ethiopian government of President Mengistu Halle Mariam continued rounding up senior army officers and politicians yesterday 72 hours after a coup attempt had been folled in the capital, Addis Ababa.

"Some senior officers have been agreeted on seniorion of been arrested on suspicion of collaboration and are under investigation." Mr Berhann Bayih, Minister of Foreign Affairs, told diplomats in Addis Ababa. "Those who are cleared of any involvement will automatically be released and resume their duties. Those who have been involved in the plot will be brought to justice."

Mr Berhanu also confirmed that the three most senior milithat the three most senior military men in the country, believed to have been the ringleaders in Tuesday'e comp attempt, had been executed by loyalist forces. They were Maj Gen Nerid Negusie, Chief of Staff, Maj Gen Amha Desta, Commander of the Amba Desta,

killed when pro-government troops retook the 100,000 strong garrison town of Asmara.

Only one person has so far been named by the government among the several hundred believed to have been detained by security forces: Mr Fanta Belai, Minister of Industry and the former Commander of the Air Force.

of the Air Force.
Addis Ababa was caim yesterday, diplomats said, with people returning to work and traffic normal. But house searches were reported to have heen mounted by security police to hunt down people believed to have been involved.

Cape Town. Police to co-operate Britain and France yesterday agreed new arrangements for joint police co-operation in the struggle against terrorism, organised crime, drug trafficking and illegal immigration, writes Ian Davidson in Paris.

The new arrangements, which were signed in Paris, which were signed in Paris, yesterday by Mr Pierre Joze, French Interior Minister, and Mr Douglas Hurd, British Home Secretary, will provide for closer dialogue hetween the two ministries, as well as for exchanges of experts, and liaison between police forces. Britain and France yesterday

Senegal curfew ends

The Senegalese government yesterday lifted the state of emergency and night-time curfew declared three weeks ago during violence against Mauritanians living in Senegal, AP reports from Senegal.

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Families gather for verdict in Spanish trial Thousands are going to a Madrid park for the outcome of the suspect cooking oil case, writes Peter Bruce

broken down.

FOR UP to seven hours today eight Spaniards will sit quietly in a vast exhibition hall in a park west of Madrid to hear a tribunal read out a verdict that could, if the prosecution gets its way, put each of tham behind bars for 60,000 years.

Just over eight years after a young boy died of a strange lung infection in Torrejon de Ardoz outside Madrid, judg-ment is due in the case of the eight, and 29 others, accused of refining and distributing adulterated rape seed oil that prosecutors say eventually killed more then 600 people and injured, many for life, nearly 25,000 others.

The latest victim, Mr Raimundo Rudilla, died last weekend aged 59, leaving a son and two daughters, both of whom have lung complications

tors expect many more deaths in the next few years, espe-cially among elderly people. Victims suffer attacks on their lungs and nervone systeme. which are often followed by paralysis, hepatitis and prema-

upon Spain its greatest human tragedy since the Civil War and has killed and injured more people than 20 years of murder and terrorism by the Basque separatist group, ETA. The 15-month trial ended last summer after hearing evidence from more than 1,500 people and collecting 250,000 pages of

evidence. Rape seed oil was used in many Spanish homes for cookSome Spanish refiners thought they could remove the additive contained in 6m kilos of industrial oil illegally imported from France and began to market it as domestic oil. The re-refined product was then cold door-to-door as olive oil in unlabelled bottles in poor parts of Madrid, Castille and Galicia. Victim support groups are

into Madrid today to hear the judgment. The case, which has become

Defence lawyers have asked for not-guilty verdicts on all

still not been identified, and the defence argued that if the oil was the cause, many more people would have become ill. In some families that used the suspect oil, only one or two membere hecame infected, despite the entire family having used it.

the defence has suggested two possibilities. One, that secret chemicals weapon tests were being carried out at the US airbase near Torreion where the first victim died and that a later epidemic was caused by a fertiliser used on tomatoes grown near the Costs del Sol. Conspiracy theorists have even

were deliberately poisoned in order to cover up the supposed chemical weapons tests.

One senior doctor who disagreed with the official theory

 that it was the oil - was dismissed as head of the Hospital del Rey in 1981. He had suggested that a pesticide produced the same symptoms as toxic syndrome if it was used on land just before planting. Dr Luis Frontela, Professor of Forensic Medicine at Seville University, who carried out autopsies on 90 of the victims, agreed with the pesticide the-

A World Health Organisation report said in 1985 though that the rape seed oil was the vehicle for spreading the syndrome, though the actual polson could not be identified.

By William Dawkins in Brussels

The warning, which jeopardises the recent improvement in EC-US trade relations, comes

members of the European Par-liament. The Community TV plan would grant free access to TV channels conforming to basic quality and moral stan-dards and with majority Euro-pean content, the restriction the US wants the EC to scrap.

programme quotas - bound to anger Washington even fur-

The row follows lobbying by

and Trade, to sue the EC under the intellectual property provi-sions of the 1988 US Trade Act sorted out in the Uruguay and to single out the Commu-round.

Chilean army chief backs Pinochet for presidency

By Barbara Durr in Sentiago THE Chilean army's late last year. While he is conlate last year. While he is considered a very professional officer, his career has been highly favoured by Gen Pinochet.

Gen Pinochet'e continuation as army chief — mandated in the current constitution — has been disputed by opposition leaders. They say Gen Pinochet, after 16 years in power, is hardly, likely to accept the authority of a democratic president or a civilian minister of

THE Chilean army's vice-commander, General Jorge Zincke, says the army has asked General Augusto Pinochet to remain as commander-in-chief and he believes "General Pinochet is still the best candidate" for president in this year's elections.

General Zincke nonetheless

General Zincke nonetheless pledged that the army would respect the results of the December election even if the winner were from the opposi-tion. He warned, however, that if the next government does not respect the constitution, "we have the example of 1973" a reference to the coup that overthrew socialist President Salvador Allende.

Gen Zincke, the army's virtual leader given Gen Pinochet's dutias as president, expressed his views on Chile'e political process for the first time since he assumed his post

Ethiopian officers and politicians held

been arrested on suspicion of

in the coup plot, including Maj Gen Kumelachew Dejen, sec-ond-in-command of the Second Army, who was in hiding. The loyalty of the troops gar-risoned in the provinces remained unclear yesterday. The government claimed it had

The government claimed it had full control throughout the country, although some diplomats said 80,000 troops in Harar and Gondar might still be in revolt.

of aniline, a coal tar extract. Some Spanish refiners thought cutors have agreed that 11 of caused by the disease and doccutors have agreed that 11 of the accused should be freed. The actual cause of the disease, if it was in the oil, has

ture ageing.
The doctored oil brought

ing, but can also be put to industrial use with an additive

Victim support groups are expected to bus thousands of people from all over Spain, often entire affected families,

known as "the trial of the century", has generated such bit-terness that police are likely to be out in force to control temAs alternative explanations,

Commander of the Air Force, and Mai Gen Demissie Bulto, Commander of the Second Army in Eritrea, who was THREE Arabs and an Israeli soldier were killed early yesterday in the West Bank in a rare genbattle between armed Palestinians and Israeli forces.

Later in the Gaza Strip, four Palestinians were reported by doctors to have been killed in clashes between demonstrators and security forces. The clashes followed the arrest of the two most senior leaders of the area's Moslem fundamentalists, in a crackdown on the growing Islamic militant

The shooting incident in Beit army later blew up houses rifle and grenades apparently bla, near Hebron, occurred belonging to members of the stolen from the Israeli army. Ula, near Hebron, occurred when an army patrol inter-cepted a car carrying three mes, one of them masked the army said. After a chase the three opened for with sub-ma-chine gums and threw a gre-nade at the soldiers, killing a reservist sergeant; seriously woulding another and injuring a further six.

The three Palestinians said by security sources to belong to a radical, Syrian backet group, were shot dead. The

group.
From Tunis, the PLO said the incident did not mark a change in its policy that Pales-tifians in the territories should not resort to arms in the uprising. The Israeli authorities said they had for some time been hunting the group, But it must seriously con-

submachine gun, an American

Shamir: main concern

minimum demands of the two

Shamir's present reliance on

support from Labour, mainly in the shape of Mr Rahin,

which takes a more concilia-

tory line than the prime minis-

ter. Mr Shamir will tell Mrs

Thatcher that refinements to

the plan can be haggled over once the Arab side agrees to its

But there are at least two

distinct minuses which raise

doubts over whether a deal can

ha struck with the Palestin-ians. The first is the fact that

tha principles underpinning

the proposals rule out a Pales-tinian state in the West Bank

A plus in this regard is Mr

and dozens of their supporters follows a surge in the Islamic group's influence in the npris-ing in recent weeks. cern the security forces that a well-armed group was active in the West Bank, using an Israeli

The arrest in Gaza of Sheikh Ahmed Yassin and Dr Mahmoud al-Zahar, regarded as the moving spirits behind Hamas,

The incident brought calls for

Shamir to woo Thatcher on peace plan Israel aims to win back international opinion, Hugh Carnegy writes

R YITZHAK Shamir, Israal's combative prime minister, flies to London tomorrew for a visit dominated by one overriding concern. He wants to win the hacking of Mrs Margaret Thatcher and her government for his peace proposals for the West Bank and Gaza Strip. His trip is part of what Israeli officials acknowledge is a full-scale diplomatic offensive

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to swing international opinion back towards Israel after a period of unprecedented sym-pathy for the Palestinian cause and remarkable diplomatic advances by the Palestine Liberation Organisation.
After outspoken criticism of Israeli policy by British ministers, Mr Shamir is keen to gain

the prime minister's ear. As a senior aide said: "We can make a direct approach to Mrs Thatcher. She is the one who makes policy and we hope for her understanding.
Mr Shamir first revealed his peace proposals in Washington last month. They are based on a plan to hold elections in the occupied territories to initiate interim Palestinian self-rule for five years, during which time there would be negotiations for

a "permanent solution". Last Sunday, the majority of Mr Shamir's right-wing Likud. ministers combined with most

Labour ministers to give the proposals backing from the often fractions coalition gov

often fractions coalmon government.

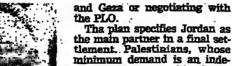
The Likud foreign minister, Mr Moshe Arens, and Mr Yitzhak Rabin, the Labour defence minister, have since gone to the US to press the initiative on largely sympathetic American ears. Mr Arens will be in Brussels next week and Mr Shamir goes from London to Madrid for the first London to Madrid for the first visit to Spain by an Israeli pre-

Israeli ministers are well aware of the damage caused to Israel abroad by their uncompromising repression of the 18-month-old intifada (uprising) in the occupied West Bank and Gaza Strip, in which more than 450 Palestinians have died. Twenty Israelis have died in

tha violence.

Events of the last week, particularly the extended curfews. in Gaza, show there is no inclination to change the tough approach. But the government concerned to win back the diplomatic initiative by suggesting a political solution to

The meat of the initiative is the election proposal. Whether it can work depends on its containing sufficient flexibility to allow the US, the chief broker, to bridge the gap between the



Tha plan specifies Jordan as the main partner in a final set-tlement. Palestinians, whose minimum demand is an independent state, say this simply denies the Israeli proposition that all options for a permanent settlement are open to negotiation.
The second minus is opposi-

tion to the plan building up among a significant section of the Likud grouping, led by Mr Ariel Sharon, the hardlina trade and industry minister. Threats of a vote against the plan in a special Likud central committee meeting on the issue next month have elicited strong statements from Mr

He has also stiffened his opposition to the 140,000 Arabs of East Jerusalem joining Palestinian elections, something the Americans consider essen-tial to a credible poll.

All this has led most Pales-

Shamir ruling out any conces-

sion of territory to the Pales-

tinian leaders in the territories and some Israeli Labour Party members, to suggest Mr Shamir's commitment to the peace initiative is limited only to using it as a ploy to stave off international, and US, pressure - something he and his aides strongly deny.

UK NEWS

Just what Dr Maertens ordered

Alice Rawsthorn on changing fortunes for the famous working boot

N A small shoe shop in a back street of Spitalfields, tongher action against the uprising and the scrapping of the government's peace proposeast London, a van driver is huying four pairs of his favourite boots: he has made a detour on his journey from Luton to Dover. Nearby, a pair of Japanese students stuff several boxes of shoes into black rucksacks.

The shop is called Blackmans. It is one of a handful of London shoe shops specialising in the sale of industrial footwear. The van driver's boots and the students' shoes bear the name Dr Martens and are made by a company called Griggs in the Northampton-shire village of Wollaston. Griggs has been making Dr Martens since 1960. Its fortunes

have waxed and waned over the years hut since the mid 1980s - when Dr Martens suddenly hecame fashionable everywhere from Manhattan to Milan - it has prospered. However, the British foot-

wear industry is in tronhle. Griggs's production peaked last autumn and Dr Martens' sales have since slowed down. Griggs, which had taken on extra labour to cope with the sudden surge in demand, has been forced to resort to costcntting measures such as short-time working. Dr Martens trace their ori-

gins to wartime Munich when Dr Maertens, a doctor of medicine, was convalescing from a skiing accident. He decided to make a comfortable shoe for people, such as himself, who had difficulty walking.
Together with a friend - Dr Funck, an engineer he had met while fighting for the affec-tions of a girl at university he designed a shoe with an air-cushioned sole.

ture of the shoe. Whereas the soles of most traditional men's shoes are stitched on to the leather of the upper, Dr Maer-tens and Dr Funck devised a way of heat sealing the sole to create a cavity, or air cushion. The air-cushioned shoes were sold all over Germany, chiefly as "comfort" shoes for

The sole was the special fea-

elderly women with foot trou-bles. Griggs, which had been late 1960s they were adopted as regulation footwear by tha



Sales grew as the Dr Marten became a fashion Item

making working sboes and boots in Wollaston since the early 1900s, saw Dr Maertens' design and decided to develop it for industrial footwear. In 1980 it acquired the

licence to make them in the UK. Griggs has made Dr Martens - it dropped the first 'e' - ever since. It began with boots. The first Dr Martens product to roll off its production line was a classic working boot with eight laceholes and an air cushioned sole, called the 1460 in deference to the date, April 1 1960.

The boots were sold to factory and farm workers, in the

skinheads, one of the youth cults of the era. By the mid 1970s Griggs was churning out 5,000 pairs of Dr Martens a week and even introduced sboes. It began to boost production hy buying other local factories.

But hy the end of the 1970s. Griggs, like the rest of the footwear industry, was in trouble. The economic recession had taken a devastating toll on manufacturing employment with inevitable consequences for a company that was largely reliant on selling shoes to factory workers.

Griggs was forced to cuts costs. It laid off workers and closed a few of its smaller fac-

revived. The higgest boost came when Jean-Paul Gaultier. the enfant terrible of Paris fashion designers, used Dr Martens in one of his collec-

Dr Martens were fashionable again. Griggs first realised quite how fashionable its industrial footwear had become when it detected a sudden surge in sales of boys shoes. Griggs discovered that women were buying boys' sizes and two years ago introduced Dr Martens for women. The naw fashionable status

of Dr Martens also stimulated export sales. The standard Dr Martens shoes with three laceholes made in Wollaston now sell for extravagant prices in smart shops all over the world. A pair of shoes that sell for about £25 at Blackmans in the East End, cost about £50 in New York and £100 in Tokyo.

New York and £100 in Tokyo. The same shoes are sold from Griggs's factories for about £11. Griggs has at least benefited from the boom in demand. It now employs 1,100 people in 20 factories across the east Midlands. At its peak last autumn, the overall level of production reached 85,000 pairs a week. The group made record sales of £38m last year.

Sales have since slowed down. The level of weekly production has slipped to 75,000 pairs. It is too soon to tell wbetber Griggs bas simply fallen victim to the sluggish state of consumer sales or whether the fashion for Dr Martens has fizzled out,

The company has started to cut costs. So far it has managed to avoid redundancies, but has reduced its workforce hy natural wastage and has put some of its factories on

short-time working. in the meantime, it is overhauling the Dr Martens range hy introducing new colours and leathers, But the basic style will not change. Griggs depends on economies of scale for its profitability, so the Dr Martens air-cushion-soled sboes and 1460 boots that Blackmans sells will stay

Barclays to

sue in £12m

Court claim against a South

African businessman as a result of a Law Lords ruling.

The bank is suing Mr John

Aneck Hahn, who guaranteed the account of Swaziland

Chemical Industries, which

went into liquidation in 1984.

allegedly owing Barclays £12m. After failing to serve legal

proceedings on Mr Hahn in South Africa, the bank issued a

writ against him in England.

writ had been validly served.

even though Mr Hahn had at

that time been out of the juris-

diction of the English courts.

The Law Lords beld that the

MANY TOP JAPANESE POLITICIANS TO ESCAPE RECRUIT CHARGES

DP urged to adopt electoral reform

By lan Rodger in Tokyo

A HIGH-LEVEL committee of A HIGH-LEVEL committee of Japan's ruling Liberal Democratic Party (LDP) has urged radical reforms to the country's electoral system to eliminate chronic corruption from mational politics. The report of the Recruit investigation to the Recruit inves of the Recruit financial scandal

approaches a climar. Yesterday, the Tokyo public prosacutors' office said its investigation of suspected bribery cases concerning the affair would probably end next week with the indictments of two politicians, Mr Takao Fujinami, a senior LDP figure, and Mr Katsuya Ikeda, a member of the opposition Komei party. The prosecutors have apparently been unable to find sufficient evidence to indict the many other leading politicians who received large financial donations from Recruit over the past four years.

Also, the Government testify, claiming he did not want to interfere with the prosecutors' investigation.

The LDP's political reform committee, headed by former chief cabinet secretary Masaharu Gotoda, called for the elimination of factions within the party, annual disclosure of assets and income by all Diet members, limitations on fund raising and spending, the reduction of the number of seats in the Diet and the creation of single-seat constituen-

fronically, its proposals are virtually identical to the demands made by Mr Masa-

yoshi Ito last week when LDP leaders pleaded with him to leaders pleaded with him to take over from Mr Noboru Tak-eshita, who is resigning as prime ininister over the Recruit affair, Mr Ito refused the job partly because party leaders would not accept his conditions. Now the party com-mittee has proposed these reforms, it will become more difficult for party leaders to dismiss them. However, it

public concern over political corruption wanes in the next few months. The committee, set up last January when it became apparent that the Recruit scandal was causing public ontrage over political corruption, concluded that the existence of multi-seat constituencies was

would be equally rash to fore-

cast early action, especially if,

as many observers believe.

at the root of the corruption. This system meant that politi-cians within the same party

had to compete against each other as well as opposition can-didates, and so they needed vast sums of money. The sys-tem also led to the creation of factions within the LDP which has in turn caused a freezing of forces in the Diet, making any real changes in the holding of power in the government virtually impossible

The committee suggested that, as a first step to eliminating factions, Diet members who obtain cahinet or party leadership posts should in future resign from their factions. It called for drastic reforms to be implemented by November 1990, the centennia of the establishment of the Diet.

• The Japanese Government expects to be able to pass its budget next week. It had been blocked by opposition parties insisting that Mr Nakasone first testify about his role in the Recruit scandal.

Tour operators cut capacity as holiday bookings fall steeply

By David Churchili, Lelsure Industries Correspondent

BRITAIN'S package, tour in planned holiday capacity for

steep fall in package holiday bookings this year. Trade estimates suggest that the number of overseas package holidays sold this summer will be 10 per cent below the 1988 level.

The cut in capacity for next
year was disclosed yesterday

by the Civil Aviation Authority, which grants licences to tour operators allocating charter flights for holidays. The CAA said the total applied for by tour operators

was 4 per cent lower than the level estimated at the same time last year. "This remesents a decrease of 585,000 holidays and reflects the first reduction

operators have, for the first time for more than a decade, cut their planned capacity for next year.

The move is a reaction to the move is a reaction to the capacity for the indicate of the capacity for next year.

The move is a reaction to the capacity for the capacity for next year. ted level of summer demand. At that stage they can reduce or increase the licensed charter

> capacity planned for summer. The main reason for the drop in bookings, according to tour

operators, has been the sharp increase in mortgage and interest rates this year. However, other trade observ-

ers suggest that the airport congestion and delays of last summer have also deterred

this year are running at the highest level for several years. Domestic companies believe that if the early May temperatures continue through the summer, the UK holiday industry will have its best ever year. The CAA figures show that the five largest tour operating groups account for almost 72 per cent of the total charter

capacity planned.
Thomson Holidays, the largest operator, accounts for 39.3 per cent of licence applications, and International Leisure Group 16.3 per cent.

The other leading tour operators are Owners Abroad, Redwing Holidays and Airtours.

He had flown into Heathrow Airport two hours after the writ was delivered to his Buck-

inghamshire flat.
On arrival, he was told that an envelope had been delivered hy special messenger, and, guessing its contents, flew out of the UK the following day to Geneva without having visited his flat or having seen the

envelope. Lord Brightman said the writ had been properly served because Mr Hahn had known about it after his arrival in ITK

"He knew perfectly well what the envelope contained."

Mail marketing code

direct marketing have heen published to protect consumers The codes have been worded in co-operation with the OFT by the Britisb Direct Marketing

US dissatisfied on penetration of semiconductor market

By Robert Thomson in Tokyo

SENIOR US representatives remain "highly dissatisfied" with US penetration of Japan's semiconductor market, and heard nothing in bilateral talks which endsd yesterday that would stop them listing semi-conductors in a Super 301 action, a US trade official warned.

The official said the US share remained inadequate in spite of some constructive mar-ket-opening measures encouraged by Japan'a Ministry of International Trade and Industry (Miti), and many Japanese companies had yet to break the pattern of buying from local producers.

In two days of talks to review a 1986 semiconductor agreement. US trade representatives were told by Japanese officials that the listing of semi-conductors under Super

trade 301 would be counter-productive, as it would affect the enthusiasm of those Japanese

companies which have increased their purchases. Washington argues that Japan has falled to honour an understanding in the 1986 agreement that foreign producagreement that integri produc-ers would have a 20 per cent share of the Japanese semicon-ductor market by 1991. The foreign share rose to 10.8 par cent last year, hut has fallen slightly since then. US officials also raised con-

cerns about government inter-vention in the Japanese TRON (The Real Time Operating Sysem Nucleus) computer project. Eighteen foreign companies are members of the TRON ciation, but a US trade official said that Japanese govern-ment plans to procure the sys-tem for secondary schools would give Japanese compa-.

Tokyo inflation fears ease

nies an unfair advantage, as they have been working on the system for a much longer

Meanwhile, Japan's Defence Agency director-general, Mr Kichiro Tazawa, yesterday called on President George Busb to vato a proposed change to the FSX fighter agreement that would force tighter controls on technology transfer and the US production

Mr Tazawa said he was shocked by the amendment which was passed this week hy the US Senate after being introduced by Senator Robert Byrd, the former majority leader. Japan has already been forced to renegotiate the agreement after concern in Washington that the US was giving away trade secrets in the project to build a new attack fighter.

'New Taiwan premier chosen'

newspapers reported yester-day, AP reports from Taipei.

Government officials declined comment on the reports, which said tha 31 members of the party's policy making Central Standing Com-

mittee would discuss the appointment on Wednesday. approach to economic and

Newspapers said Mr Lee Mr Lee Teng-hui, 66, becam president last year after the death of Mr Chiang Ching-kno.

political problems.

Tourist trade deficit 'will rise' By David Churchili

SPENDING in Britain by overseas tourists is expected to more than double to £13.5bn by the mid 1990s, according to forecasts published by the British ish Tourist Authority. But Britons holidaying

abroad are expected to spend even more, leaving an expected deficit of almost £3.5bn on the UK's tourism account by 1995. Last year the deficit on tourism reached a record £2bn in spite of a record 15.7m overseas

The BTA estimates that some 22m overseas visitors will some 22m overseas visitors win come to Britain in 1995, a rise of 41 per cent of last year's total. Similarly, it expects the number of Britons travelling abroad to rise to some 41m.

The forecasts, published in the BTA's Tourism Intelligence statistics, show the strength of Britain's booming tourist industry as well as the con-tinuing popularity of overseas holidays for Britons.

The key factor behind tha growth rates for both incoming and outgoing tourists is the Channel Tunnel, due to open in 1993. The BTA estimates, for example, that the annual growth rate of incoming tourists will climh from 4.5 per cent a year to 5.5 per cent after the tunnel is opened.

The number of British residents travelling ahroad is expected to grow at an annual average rate of 4.5 per cent until 1992, the rate rising after that to 6 per cent a year until The growth of tourism in the

UK over the past decade has pushed the country from sixth to fifth place in the interna-tional league table of tourism spending, according to the BTA figures. A decade ago, the US earned

the most income from interna-tional tonrism, followed hy West Germany, France, and Spain. Now Spain earns the most - as a result of the boom in its package holiday business - followed by the US, Italy, and France.

Tourism Intelligence Quarterly, BTA research services, Thames Tower, Black's Road, London, W6 9EL. £70.

better against "junk mail" and telephone marketing ahuses.

Association and Mail Order Publishers' Authority.

Manx accountants 'plainly assisted' fraud

By Raymond Hughes, Law Courts Correspondent

A PARTNER and an employee in an Isle of Man accountancy firm "plainly assisted" in a sys-tematic fraud on a subsidiary of Agip, the Italian oil company, a High Court judge said

yesterday. Mr Barry Jackson, a partner of Jackson & Co, and Mr Ian Griffin, his employee, were liable to Agip (Africa) because, although the possibility of a fraud on the company had been drawn to their attention, "they failed to make the inquiries which honest men would have made to satisfy themselves that they were not engaged in furthering a fraud," said Mr Justice Millett.

He ruled that the two men and Mr Jackson's partner, Mr Edward Bowers, who, the judge said, was "vicariously" liable for the acts of the other two, must pay \$473,662 (£283,653) to Agip.

The money was part of the

last of a series of payments diverted from the company and paid away before the fraud was discovered. Mr Jackson and Mr Bowers

were also ordered to pay Agip (Africa) the \$45,160 balance of that last payment. The three men are to con-

sider an appeal. The judge said that over many years Agip (Africa) had been systematically defrauded of millions of dollars by its chief accountant, Mr Zdiri, who altered the names of payees on payment orders after they had been signed.

Between March 1983, when Jackson & Co came on to the

scene, and January 1995 alone Agip was defrauded of over \$10.5m through about 27 payments made to English companies managed by the defendants in the Isle of Man. The fraud was discovered to Baker Oil Services - had been made.

The judge said Jackson & Co had provided a series of payee companies with Mr Jackson and Mr Griffin as directors. After each company had received and paid out two or three diverted payments it was put into liquidation. The money was transferred

to Euro Arabian Jewellery, an English company of which Mr Jackson was a director. Most then went to Kinz Joailler, a French company of which Mr Jackson was the sole director, but some went to Mr Yves Coulon, a French lawyer,

and to a Mr Chouck ben Abde-

laziz, who had not been further

identified.
The judge said Mr Jackson and Mr Griffin plainly assisted in the fraud. They must have The fraud was discovered realised that the only function shortly after the last of the payee companies or

diverted payments - \$518,822 Euro Arabian was to act as "cut-outs" to conceal the true destination of the money. The evidence against the two

men was damning.

"They are professional men. They obviously knew that they were laundering money . . . Secrecy is the hadge of fraud. They must have realised at least that their clients might be involved in a fraud on the

plaintiffs "I am led to the conclusion that Mr Jackson and Mr Griffin were, at best, indifferent to the possibility of fraud. They made no inquiries of [Agip] because they thought it was none of their business. That is not honest bebaviour.

The sooner that those who provide the services of nominee companies for the purpose of enabling their clients to keep their activities secret realise it, the better." the judge

compared with the same month last year. The figure was below the expectations of some analysts who had forecast an increase of up to 3 per cent. The result seems likely to reduce, at least for a while, the pressure on the authorities to raise the Official

FEARS of a resurgence of

inflation in Japan eased slightly yesterday, with the publication of figures for

wholesale prices for last month

showing a 2.5 per cent increase

Discount Rate. There is widespread speculation in Tokyo that the Bank of import prices by 2.8 per cent

Japan is contemplating an increase in the discount rate to stem a possible resurgence of inflation, but the bank said it would continue to monitor prices closely.

It will pay particular attention to consumer price figures for April, to be published next

Friday. The main boost to prices last month was the introduction of a controversial 3 per cent con-sumption tax on April 1. In addition, prices were affected by the fall in the yen against the US dollar, which raised

over the previous month. The month-to-month increase in ovsrall wholesale prices was 1.7 per cent.
Meanwhile, the Bank of

Japan announced a 10.2 per cent increase in the money supply last month, compared with the same month in 1988. The gain was 0.1 percentage points lower than in March. However on a seasonally-adjusted basis, the money supply rose 0.6 per cent from March to April. This increase will add to concern that money supply growth in Japan might fuel inflation.

MR LEE Huan, the popular secretary general of the ruling Nationalist Party, has been chosen to succeed Mr Yn Kuohua as premier of Taiwan,

Mr Yu, 75, announced on Wednesday he bad submitted his resignation to President Lee Teng-hui to preserve party unity and allow a younger person to replace him. He has been undar constant public criticism for his cautious

Huan, 72, would probably serve as premier only until a presidential election next March, when he will be replaced as part of the policy of raising a new generation of technocrats and political reformers to higher office.

Mr Lee Huan, who was educated at Columbia University in New York and Tankok University in South Korea, is considered more liberal than other senior Nationalist leaders, and this could encourage further political liberalisation Since taking office, President Lee has pursued a flexible and pragmatic foreign policy. A demonstrator burnt him-self to death outside Taiwan's presidential building yesterday, as thousands of protesters took part in a funeral march for a leading dissident.

Africa claim By Raymond Hughes booking a Continental package BARCLAYS Bank of Swaziland can go ahead with a £12m High

holiday. Bookings for UK holidays

capacity. The sharp fall in holiday bookings after Christmas this year, for example, led tour operators to reduce their

some holidaymakers from

UK NEWS

Government to toughen laws on media ownership

By Hugo Dixon and Ivor Owen

RULES for preventing media moguls dominating broadcasting are to be toughened as a counterpart to the Government's plan for injecting more competition into the industry, the Homa Office said yester-

the proposals, which are stricter than those contained in last year's broadcasting white paper, are designed to prevent unhealthy concentra-tions of ownership and editorial uniformity. They apply not only to organisations building up a dominant position in broadcasting, but also to news-paper proprietors with ambi-

tions in radio and television.

Announcing the proposals in the Commons, Mr Tim Renton, Home Office Minister, also confirmed that advertising agencies would be precluded from bolding commercial television or radio honors. or radio licences.

Specifically, the Government is proposing that no group should be allowed to own more than two of the new regional TV licences that are to replace the ITV licences. Even then, the licences must not be for large or neighbouring areas.

National newspaper owners will be stopped from taking stakes of more than 20 per cent in any of the new regional licences. They will also be prevented from taking stakes of more than 20 per cent in

THE BBC plans a business programme financed by adver-tising and subscriptions. The programme will probably be launched early next year and will be broadcast in the middle of the night. It is modelled on

of the night. It is modelled on the company's existing medi-cal programme for doctors. The programme will contain share prices and other finan-cial information. Customers with a special coding device will be able to record it to watch at their convenience,

national radio franchises or in satellite TV systems.
Similar restrictions are proposed to stop owners of broadcasting licences building up positions in the newspaper industry. Equally, the Govern-ment plans to prevent the growth of local TV and news-

paper monopolies. Slightly different rules are to apply to Mr Rupert Murdoch's Sky TV satellite business because this does not formally come under the Government's jurisdiction. Although Mr Mur-docb will not be allowed to take stakes of more than 20 per cent in UK broadcasting businesses, be will be permitted to keep his ownership of five

national newspapers.
The Government's proposals represent a tightening of its

original plans except in one respect. It is no longer pressing ahead with a scheme to pre-vent British Telecom and Mercury Communications from adding to their cable TV inter-

ests.
In the Commons, demands to for adequate safeguards to ensure that the wider use of new technology, particularly when controlled from outside the UK, did not lead to an unacceptable fall in the quality

inacceptante fail in the quanty
of programmes dominated a
debate on domestic and satellite broadcasting.

Dealing with the future financing of the BBC, Mr Renton
reaffirmed that the licence fee,
both for talgricing and radio. both for television and radio, could not be regarded as "immortal". It was a matter that would have to be considered in the early 1990s when the BBC charter was reviewed.

Mr Renton appeared to rule ont any further significant changes in the broadcasting white paper by suggesting that only details affecting the "cor-nice or pediment" were likely to be involved.

Mr Robin Corbett, speaking from the Opposition front bench, said Labour welcomed the changes that new technology was making possible, but insisted that greater choice must be combined with higher

BBC appoints current affairs director

Financial Times Reporter

MR Ian Hargreaves has been appointed the BBC's director of news and current affairs in succession to Mr Roo Neil, who has become managing director, regional broadcasting, it was

1 1 1 3 1 1 1 1 1

announced yesterday.
Mr Hargreaves, 37, who
joined the BBC two years ago

from the Financial Times. where he was features editor, will be responsible for the day-to-day running of all the BBC's news and current affairs programmes. He is currently controller, news and current affairs, a post that will now

Mr Neil's appointment, which was announced last month, gives him a seat on the corporation's board of management. He will be in charge of all the BBC's TV and Radio programmes from Scotland. Wales, Northern Ireland and the five English regions.

Bank lending slows gradually after £7bn increase last month

By Ralph Atkins, Economics Staff

BANK AND building society lending rose a seasonally adjusted £7bn last month and appears to be slowing only gradually, according to Bank of England figures yesterday.

The increase was slightly

higher than the average for the from the £7.8bn reported in March. However M0, the narrow measure of the money supply which is targeted by the Treasury, edged downwards, approaching the range announced in the Budget.

Together the figures gave confusing signals about the UK economy, suggesting that activity might be slowing while lending remains robust. Many City analysts fear that excessive growth in bank bor-rowings will add to inflation-

ary pressures.
M0, which consists almost entirely of notes and coins in

Whitehall told

'think small'

By Charles Batchelor

circulation, increased by 5 per

cent in the 12 months to April - reaching the top end of the 1 per cent to 5 per cent set by Mr Nigel Lawson, the Chancellor. for the 1989-90 financial year.

However, the figure was artificially reduced by lower-thannormal spending in the weeks after Easter. Seasonally adjusted figures, which give a better guide to the trend, showed an increase of 5.7 per cent, down from 6.2 per cent in the 12 months to March. The Treasury said M0 was showing a sharp slowdown and would come within its target

range sbortly. The indicator is regarded as a good coincident indicator of economic activity. Broader measures of the

money supply, however, con-tinue to show strong growth. M4, which inclodes bank and building society deposits, increased by a seasonally adjusted 18.1 per cent in the year to April, compared with 184 per cent in March. Figures issued by the Committee of London and Scottish

Bankers, representing high street banks, show that bank lending to the personal sector was subdued last month, although still relatively high. increased by less than half the rise reported in April last year. Borrowing by companies also remained firm but might

have been distorted by the possible slowdown in economic activity with businesses hav-ing to finance involuntary stockbullding. Borrowing might have been boosted by investment programmes or to pay for imports.

Mr Nigel Richardson, economist at Warburg Securities, said: "The screws have tightened on the personal sector. but the corporate sector has not yet begun to feel the pinch."

Senior judges to discuss legal reform proposals

THE GOVERNMENT is stepping up its efforts to per-suade Whitehall departments to buy from Britain's small It yesterday launched a booklet entitled Think Big Buy Small, intended to belp the their response to the controver-sial green paper proposals for the reform of the legal profes-

Government's 8,000 purchasing officers deal with small compa-nies and a revised and expanded version of Tendering for Government Contracts. Mr John Cope, Small Firms

Minister at the Department of Employment, said in many instances small businesses could provide better value. Both booklets from Department of Employment, Small Firms Division, Steel House, Tothill Street, London SW1H MORE THAN 100 High Court and Court of Appeal judges will meet in closed session today at the Royal Courts of Justice in London to finalise became clear that it would otherwise be impossible for the judges to meet in non-working bonrs and finalise their response before the end of the

consultation period.
One incidental result of the postponement is that Lord Mackay, who was out of the country on the original date of The meeting was postponed in April amid allegations that the decision to bold it during a the meeting, will be able to

working day was designed to be deliberately disruptive and amounted to little less than The meeting of the Council of Judges will be presided over by the Lord Chief Justice; Lord Donaldson, the Master of the Rolls; and the leaders of the industrial action by the senior judiciary. Lord Mackay, the Lord Chan-Divisions of the High Court. Lord Donaldson made clear yesterday that no statement would be issued to the media before Tuesday. cellor, agreed to give the judges an extension beyond the



May 2 deadline for responses to the green papers when It

Profit 'cut by a third for 1986' at Lloyd's

LLOYD'S insurance market's 1986 profits have been cut from £800m to £514m largely because of mounting asbestos and tox-ic-waste clean-up claims from the US, an independent firm of researchers has forecast.

London-based Chatset, run by Mr John Rew and Mr Charles Sturge, said that 1986 was a very profitable year for marine and non-marine insurers, but they were again hav-ing to add substantially to their reserves against claims

emerging from policies written in prior years.

One large marine syndicate, number 65, run by the Henry Chester underwriting agency, discovered "a serious shortfall" and was raising its reserves and was raising a syllytion. against asbestos and pollution-related claims, according to

related claims, according to Chatset. The results of losses from old years were "very apparent" among Lloyd'a marine syndicates.

The firm'a preliminary forecast precedes by four months the official announcement from Lloyd's. Chatset'a estimates are basad on results mates are basad on results from individual syndicates, which under the Lloyd's three-year accounting system have been publishing their 1986 prof-its and losses in the last few

Chatset said that two years ago "there was much talk... of a £ibn profit for Lloyd's" from its 1986 business, mainly because of the marked npturn in insurance premium rates which began in the US and the UK in 1984-85, and because of relatively few large aviation-related claims.

In January, the firm forecast an after-tax profit of £800m, which it has now revised downwards. "Where have all the profits gone? Bolstering up old years seems to be the answer," Chatset said. It estimated that non-marine

syndicates made £312m profit after tax in 1986, but that fell to £217m after the syndicates between them added about £95m to their prior years' reserves. Marine syndicates added about £30m to prior years' reserves, cutting their overall 1986 profits to about

Aviation syndicates had turned in remarkably good results however, with net profits of more than 2100m, even though their total underwriting capacity only amounted to premiums of £484m in 1986.

London Brick plans 200 redundancies

By Andrew Taylor

LONDON BRICK, Britain's biggest brick manufacturer, plans to make 200 to 300 of its 4,000 workers redundant by the end of next month.

The company, owned by Hanson, said yesterday that the redundancies stemmed from improvements in produc-tivity. It had taken on some 250

temporary workers about 18 months ago and these jobs were no longer required.
Hanson denied that the decision had been influenced by a sharp fall in house building during the first four months of this year. Stocks of unsold bricks had increased but remained at a reasonable level. remained at a reasonable level.
It said: "We expect to produce the same number of bricks in the next 12 months as we did in tha last 12 months but with slightly fewer work-

ers." The company was forecasting record profits for its brick-making subsidiaries in the current financial year. Cross-border move to curb drug trade

MINISTERS from Council of Europe nations yesterday agreed to step up moves to cross-border confiscation of proceeds from drug trafficking. Countries in the Pompidou group announced a joint decla-ration simed at the seizure of assets bought by laundered

By David Barchard

THE FINANCIAL Services Act

has failed to achieve its objec-tives of reducing fraud and has

had damaging and costly con-

sequences according to Mr Richard Lacey, chief executive of National Home Loans, the fifth largest UK mortgage

The act needed "radical sur-

gery," he said in London at a

lunch given by the Corporation

of Insurance and Financial

Advisers, which represents the brokers directly affected by the

working of the act. He said that in the 13

months during which the act had been in force it had reduced the availability of

independent financial advice

and the competitiveness of

Ulster turns its back on extremes

Kieran Cooke and Our Belfast Correspondent on the elections

HE political ground has shifted slightly in Northern Ireland. As final results were declared last night in the province's local elections it became clear that parties regarded as being more on the extreme of the political spectrum had fared badly. Mr Ian Paisley's Democratic Unionist Party, which for the past four years has been involved in a highly publicised campaign against the 1985 Anglo Irish Agreement, saw its share of the vote drop by more than 6 per cent.
At the other end of the spec-

trum Sinn Fein, the IRA's political wing, saw its vote drop in some parts of the provdrop in some parts of the province, though support continued
to be strong in the key nationalist area of West Belfast.

Both the Ulster Unionist
party, which won more than 30
per cent of the vote and the
mainly Roman Catholic Social
Democratic and Labour Party
made significant gains in a
number of areas.

number of areas. With nearly all results declared the Ulster Unionists had won 191 seats, gaining five seats, the SDLP 121, gaining 19 seats, the DUP won 110, losing 24 seats, Sinn Fein won 42, down 11 seats and the Alliance Party won 37, np by 5 seats.



Ian Paisley: campaign did not please electorate

Mr Tom King, the Northern Ireland Secretary, said that there had been a rejection of the extremes. "I think that most people in Northern Ireland want to see a more constructive, a more sensible approach and have been quite frankly appalled in recent years at the behaviour of some of their elected representatives " he said

tives," he said. The Democratic Unionist Party say that many of their aupporters did not vote because the Northern Ireland Office refused to listen to their protests against the Anglo



John Hume: "People are fed up with violence"

Irish Agreement. Mr Gerry Adams, the President of Sinn Fein, said that the strength of the vote for his party was "nothing short of miraculous" in the light of the Government broadcasting ban on Sinn Fein introduced late last year and what he called a compaign of murder and intimidation against Sinn Fein can-

duates.

"Our opponents set out to smash Sinn Fein. They have failed," said Mr Adams.

The SDLP did well in both urban and rural areas. In Londonderry the party won 15 of the 30 seats on the city coun cil. In County Down the SDLP took overall control of the local

Mr John Hume, leader of the

SDLP, said the message of the elections was clear. "People are fed up with violence and intransigence" he said.

Mr James Molyneaux, leader of the Ulster Unionists, said his of the Ulster Unionists, said his party had clearly retained its position as the dominant force in Northern Ireland's politics. He said that voters had endorsed the party policy of opposition to the Anglo Irish Agreement.

Agreement.

Mr Molyneaux said that the pact between his party and the DUP for fighting the Agreement would continue.

While many claimed that the

election results showed a shift towards the political centre in Northern Ireland othera pointed out that only 55 per cent of the electorate bothered to turn out to vote. This was well down nn tha last local elections in 1985.

Analysts say that it was noticeable that in many areas people seemed to vote more for personalities than for parties and that there was a large degree of disillusionment with established party politics in the province.

N Ireland job discrimination bill is made stricter

making changes to a bill that reinforces rules to prevent religious discrimination against job applicants in Northern Ireland, writes Rich-

ard Donkin.
As a result of amendments to the Fair Employment (Northern Ireland) Bill, the Labour Party, which applied a three-line whip to oppose the legislation at its second reading in the Commons, is expec-

ted to support the bill at its third reading scheduled next Thursday. Mr Kevin McNamara,

Labour's spokesman on North-ern Ireland, said yesterday: "Following useful discussions with the Secretary of State, the Government has accepted our point of view on a number

The 72 government amendments and nne new clause tabled before the weekend, as well as extra amendments expected on Monday, cover most of the changes Labour had been demanding to make it more difficult for employers to discriminate in their employment policies.
One of the amendments

allows an employer to deter-mine what section of a community an employee belongs to. Previously, the employer would have been required to accept the employee's word on

that particular matter.

The Northern Ireland Office is perticularly sensitive to support within the US for the port within the US for the so-called MacBride principles, which include demands for US companies investing in the province to take affirmative action to increase representation of religious minorities in the workforce. Two and a half times as many Roman Catholic man as Protestant men are men as Protestant men are

Fokker plan for Shorts would end aircraft final assembly

By David Brown in Amsterdam

FOKKER, the Dutch aerospace group that has submitted a joint bid with GEC of the UK for Short Brothers, will scrap Shorts' proposed £500m FJX commuter aircraft programme and gradually phase out all final assembly of commercial, aircraft if its joint hid for the Belfast aerospace concern suc.

Mr Erik Nederkoorn, Fokker's deputy chairman, said-yesterday: "We have never viewed Short Brothers as an alternative for final aircraft assembly."

Shorts makes the wings for the Fokker F100 twin-jet 100seat airliner. He added: "We do not think the FJX can be developed and produced at a competitive price." The FJX would compete in the same market as Fokker's

F50 turboprop twin.
The UK Government has been seeking bids from compa-nies that are prepared to con-tinue aircraft manufacturing at Shorts. Shorts makes a range of small commuter aircraft and

tha military Tucano trainer for the RAF. The twin-jet FJX 50-seat regional arrimer is in the earliest stage of development, while the F50 is in production and has 98 firm orders plus 32 options.

Bombardier, the Canadian

group that owns Canadair and has submitted a rival bid for Shorts, is also thought unlikely to continue the FJX because it competes with its Canadair, Regional Jet, launched in March, which is also winning orders in world markets.

On Shorts' existing commer-cial aircraft, Mr Nederkoorn said the small SD330 and SD360 regional airliners "are at the end of their life cycles." Fokker had proposed a restructuring programme that concentrated on development of Shorts aerostructures (aircraft parts)

Fokker and GEC are prepared to guarantee nnly the 3,500 manual jobs at Shorts but have not made any further commitment concerning the

rest of the 7,600-strong work-

"Our main interest in Short Brothers has been to secure a steady supply of wing assem-blies" for the F100, Mr Nederkoorn said. Shorts will produce about 28 F100 wing assemblies lis aerostructures unit also

facturers such as Boeing, Even if the Bombardier bid succeeds Shorts will continue to provide F100 wing assemblies, building up; Fokker says, to an output of about 45 a year by 1991

However, as part of a broader capacity expansion programme, Fokker is seeking a second source of supply for these assemblies. It is "very close" to a decision on how to expand production capacity, either at its Schiphol plant in Amsterdam or in the US after a spate of large orders in recent months for its F100s.

Fokker management said it was in the "final phase" of dis-cussions with Lockheed, Rockwell and Grumman of the US.

lier at the conference that British Coal would retain the bulk

of its business after privatisa-

he was concerned about the contribution of coal burning to

global warming, coal was too important a natural resource

He welcomed British Coal's development of new coal-burn-

ing technology.

Privatisation of the coal

industry would not take place until after the next general

election. However, Mr Parkinson said

it was clear that managers and workers would have the oppor-

tunity to become part-owners

of the industry through special shareholding arrangements

to be neglected.

Mr Parkinson said that while

EMS policy 'threat to finance'

unemployed in Ulster.

By Richard Donkin

MR PADDY ASHDOWN, leader of the Social and Liberal Democrats, said in London last night that Britain's financial interests were being left to rot because of Mrs Thatcher's refusal to join fully the European Monetary System.

In a speech at a rally for the down attacked the Prime Minister's stance on Europe as "her final bulwark of prejudice. obstinacy and insularity. defended against most of her own Euro MPs, against busi-ness and commercial opinion and against a growing number

by her peculiar cocktail of ignorance and gut dislike of Europeans." Mr Ashdown said that a natural convergence of monetary polices was in progress, but "as long as Britain stands apart from this process, our destinies will be controlled by others." He warned: "If London wishes to retain its status as the financial capital of Europe.

of her own Cabinet ministers

it will have to ditch this gov-The Democrat version of Europe, he said, was one of closer economic and political integration. Britain's "shame-ful contempt" for Strasbonrg and Brussels damaged its own reputation and distorted the balance of the European Parlia-

ment. Dr David Owen, leader of the Social Democratic Party, told the Cardiff Chamber of Commerce yesterday that Britain was becoming ever more isolated and vulnerable in world economics.

He said: "Germany has the power to challenge the sover-eignty of London as Europe's financial centre: all they need is the contention." is the opportunity."

Car output up 6.5% in April

UK CAR production in April was 6.5 per cent higher than a year ago at 120,458, according to provisional Trade and Industry Department figures.

In the first four months of the year car output was 13.6 per cent higher at 476,462 compared with 419,237 in the corre-

per cent higher at 476,462 com-pared with 419,237 in the corre-sponding period of 1988.

Production a year ago was depressed by the two-week strike which closed Ford'e UK

plants. Ford vehicle output in 1989 is clearly higher than a year ago but UK production is also

ago but UK production is also being boosted by sharply higher output at Peugeot Talbot's Ryton, Coventry, assembly plant and at Nissan's Sunderland car plant.

According to the DTI, car production in the last circular production in the last six months was 16 per cent higher,

on a seasonally adjusted basis, than the corresponding period a year ago. a year ago.

UK output of cars and commercial vehicles is being boosted by continuing record

demand in the UK market.

Parkinson defends coal policy

achieved by restricting compe-

sharp increase in the industry's productivity, which he said was unlikely in be matched anywhere else in Sritish industry. This was caused by an increased concentration of production and investment

of production and investment in lowest cost pits.

He said the future shape of the industry would be deter-mined by negotiations under

way for coal sales to National Power and PowerGen, the two yet-to-be privatised electric

utilities. Sales to the power industry accounts for three

quarters of British Coal's busi-

Sir Robert Haslam, British

Coal chairman, predicted ear-

Mr Parkinson praised the

THE Government remains totally committed to the British coal industry but will not restrict imports to protect it, according to Mr Cecil Parkin-

according to Mr Cecil Parkin-son, Energy Secretary.
Mr Parkinson, speaking yes-terday at a conference of the Institute of Mining Engineers in Harrogate, rounded on crit-ics of the Government's policy toward the coal industry.

"Charges that the Govern-ment is hostile to coal are not borne out by our record of financial surport for the indus-

financial support for the indus-try," he said. "They boil down, no less, to our refusal to ban fair competition from coal imports.

He said that while he was committed to the industry's success, that should not be

Home loans chief attacks

Financial Services Act insurance markets.

Although the act's provi-

sions have been widely critic-ised, this is the first time that a leading industrial figure has delivered such a forthright public attack on its effects. "Parliament . . . certainly didn't intend the FSA to threaten or hamper our finan-

cial services industry." He added that the British financial services industry was the oldest in the world; the second or third in size; and "arguably the most successful and

innovative." He said: "All this has been achieved by voluntary recruiting, and then suddenly it is a crime to enter this industry without permission."

Survey names Warburg leading mergers adviser

S. G. WARBURG was the leading mergers and acquisitions adviser in the first quar-ter of the year, according to a survey published by Extel Financial/IDD.

Warburg advised on 17 public and private transactions during the period, worth a total of £1.23bn. The nearest rival was Char-

worth £935.6m, followed by J. Henry Schroder Wagg with nine worth £885m. The survey shows that Warburgs was the leading financial adviser on transactions involv-ing public quoted companies,

placed Warburg from the num-

terhouse Bank, with 12 deals

with 13 deals worth £900.6m. However, Charterhouse dis-

ber one slot as adviser to

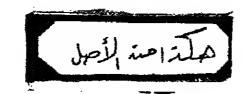
acquirer companies.

During the pariod, there were 468 completed deals with a total transaction value of £6.1bn, compared to 481 deals worth £7.2bn in the first half of 1987 and 1,887 deals worth £34.1bn over the whole of the year. There were 629 announced hids worth £6.6bn In total.

Prices paid for companies

Prices paid for companies fell. The average exit p/e was 21.8 against 24.6 fnr the 12 month rolling average.

Bid premiums to the price prevailing one day and one month prior to the bid were 24 and 33 per cant respectively against 27 and 39 per cent for the whole of 1989. the whole of 1989.



UK NEWS

rem reen paper on rivate-sector oads next week

Channon: public sector

remains main provider

criticised the Transport Department's insistence that

all proposals must be put toopen tender.
Developers say they are

inhibited from coming forward with an original idea for a pri-vately financed scheme if there

is a possibility of a rival win-ning the work in a battle for tender.

They say it costs a lot of money to prepare schemes and that the originator of an idea should be given more protec-

The green paper is likely to

consider ways of easing plan-ning difficulties for private roads and arrangements of

how land should be acquired

a privately financed bridge across the Thames at Dartford have time limits on the conces-

sions which have been grante to the developers, and similar procedures are likely to be

The green paper is also likely to outline the Govern-

ment's revised criteria for approving privately financed schemes after the retirement of

the Ryrie rules earlier this

adopted for other schemes.

Both the Channel tunnel and

Andrew Taylor, Construction Correspondent

/ERNMENT plans for ately financed toll roads expected to be published week in a green paper, Mr

Channon, Transport Sec-ry, said yesterday.

2 declined to disclose the tents of the discussion er, which is expected to wr the rights of developers etermine toll rates, compulpurchase of land and the th of time developers ht be allowed to own and ate individual roads.

r Channon said the effect

the proposals would be ill compared with tha ouncement on Thursday 's spending on motorways' trunk roads would be more n doubled to £12bn over the t decade.

Whatever may be the case the private sector I do are for the foreseeable are for the foreseeable re – perhaps for the rest ill our lives – the public or is going to be the major vider of roads in Britain." ome private developers and il anthorities hope next ik's discussion paper will sider allowing promoters to sider allowing promoters to e private investment by ing property rights along

he London Docklands elopment Corporation, for mple, proposes to use its y purchase powers to ance the extension to the don Docklands Light Rallby selling property rights

ing the route.

The green paper is likely to come the rights of developers. set their own tolls. At the nent legislation is required R et toll rates.

he Government has already it will not allow shadow shadow sweet the Treasury pays agreed sum for each caring a privately financed 17 t21 fromoters of privately meed schemes have also

apanese invest in

Tie investment is part of a

iche of finance being inged for the company by

: inwort Benson, the mer-

nt bank. It brings the total king given to the company, ich was formed in 1986, to

British Biotechnology is

rking on new generations of armaceuticals which could

on sale in the mid 1990s for ating a range of diseases, luding AIDS, arthritis and

t already has among its reholders two big US drugs nps, SmithKline Beckman

i Johnson & Johnson. ir Keith McCullagh, chief

cutive, said the company

ected to gain a further £5m nvestment by the time the

scription for the latest nd of finance closed next inesday.

hat would mean the total h raised in this tranche ild be roughly £25m, a sum th Mr McCullagh said dem-

ne £30m.

iotechnology group

Aslef abandons ballot on strike against BR package

ASLEF. the train drivers' union, decided yesterday at its annual conference in Scarbor-ough to rula out any naw strike ballot over British Rail'a

The move is a further blow to the unity of the rail unions. That was undermined on Thursday by a separate Aslef conference decision to suspend an existing ballot about pay and new negotiating machin-ery planned by BR. The National Union of Rail-

waymen repeated last night that it still planned to ballot its members over the pay and bar-gaining issues at the end of this month.

But Aslef looks set either to abandon the pay issue or to follow TSSA, the white collar union which has decided to refer the pay issue to the Rail-way Staff National Tribunal for arbitration. TSSA has done that even though BR has indicated it may not accept any ruling as binding.

Aslef is understood to he They will axtend special planning to continue to camallowances to 14,000 more BR staff, About 35,000 BR staff paign actively against any changes to the existing have now been selected for spemachinery of negotiation.

BR's decision to follow up its
7 per cent pay increase for all
staff, with an offer of addicial pay treatment, including about 7,000 drivers or about 35 per cent of Asler's membership. In a letter to rail unions this tional allowances to selective week, BR describes the pack-

groups of employees in the south-east appears to have weakened the resolva of some drivers to commit themselves to strike action. The inner London allowance for staff employed within a 16-mile radius of Charing Cross has been increased from £946 to £1,200 a year. The ooter Lon-don allowance within a 40-mile

radius has been increased from £473 to £550 a year. Meanwhile BR has created a new south-east allowance worth £200 a year for to staff on some routes more than 40 miles from Charing Cross.

The pay increases are expected to be in place this weekend and backdated to April 10.

may increase inter-naion rivalry in the coming months. The TUC has yet to decide on what steps to take to try and resolve a dispute between the NUR and Aslef about mem-bership "poaching." The row follows the ending by BR of demarcation hetween drivers

aga as "significant improve-ments in pay and conditions." Aslef leaders are calling the

general secretaries of the NUR

and the TSSA to a joint meet-

ing next Friday in an apparent attempt to recover at least a

But some union officials

indicated yesterday that Aslef's conference decisions

semblance of unity.

Banks' 7.5% pay proposal meets cool response

EMPLOYMENT

OFFERS by Midland Bank and Lloyds Bank to increase the pay of non-managerial staff by 7.5 per cent have met a cool onse from union leaders. Of the four sets of union groops involved, only one the Lloyds section of the Banking, Insurance and Finance Union – is recommending acceptance. The others are either seeking further talks or balloting memhers without

giving a recommendation. The unions' reception of the offers demonstrates the growth of pay pressure amid accelerating inflation. Meanwhile Mr John Monks,

depoty general secretary has been mediating in a row hetween Bifo and the MSF general technical union. When the bank withdrew collective bargaining rights from MSF, that union said Bifu would break inter-union procedures if it had talks with Midland.

Union wants lecturers to vote against offer

By David Thomas, Education Correspondent

THE ASSOCIATION of University Teachers is to hold a ballot on the employers latest pay offer. It will advise its 30,000 members to reject the deal. The threat to this year's university exams will therefore remain for at least the oext 10 days - the time needed to con-

duct the ballot.

The decisioo was made yesterday hy the unioo's 200strong governing council, meeting in Cardiff, against the wishes of its executive which wanted lecturers to be balloted without a recommendation. Union members are refusing

to mark exams as a result of the pay dispute. The recom-mendation against the deal reflects anger by many AUT activists that the latest offer is only slightly better than one rejected in March.

They are also concerned that it gives vice chancellors local

discretion to improve the lump sum elemeot. The latest offer is for a 6 per cent rise, a lump sum ranging from £150-£285 and 1 per cent for merit pay, Mr Alen Carr, a delegate from the Open University, told the council: "If we do accept this deal, we have weakened our transaining power for the foresecable future." The recommendation to reject will create difficulties for the union's leaders who wanted to reach a set-

However, it still appears possible that a majority of ordinary AUT' members will vote to accept the offer. The alternative is likely to be an increasingly bitter dispute which could affect degree ceremonies. Ms Diana Warwick, AUT

general secretary, told the council the union had reached the end of the negotiating pro-cess. She said that without a settlement individual vice chancellors would posh for local deals and would disci-pline lecturers who boycotted the marking of exams.

Before reaching its decision, the council threw out both a hard-line attempt to reject the offer out of hand and a pro-posal to accept it now.

Widen entry to nursing for young, says Clarke

By Michael Smith, Labour Staff

MR Kenneth Clarke, Health Secretary, yesterday urged nursing anthorities to widen entry to the profession for young people. His plea, which reflects growing recruitment and retention difficulties for the health service, come as he the health service, came as he made the Government's most definitiva statement yet on Project 2000, the biggest murse education reform this century. In a letter to the United

Kingdom Central Council for Nursing, Mr Clarke said that Britain should plan for the ending of enrolled nurse training in five years. He also suggested that nursing students should be expec-ted to contribute not less than

1.000 hours of rostered service in their three-year training programme. The 1,000 hours represents about 20 per cent of training time, whereas some students now spend up to 60 per cent of their time in ros-

Mr Clarke said he recognised the work the council had per-formed in widening entry into the profession. He also said he would like to see rapid prog-ress in introducing vocational qualification standards for support workers.

He said health departments were still receiving complaints about unduly rigid interpretations of entry requirements by schools and colleges.

Meeting today Overtime ban on threat to power supplies | Cadbury plant

TISH Biotechnology has constrated the confidence of £20m, a third of it from placed by the financial communes investors to help the nity in his company has new phase of its the names of the lopment programme.

Japanese investors — one of

which is a large pharmacenti-cal company - would be dis-closed later. Several large Japanese drugs companies, such as Takeda and Yamanouchi, have expressed interest in expanding their activities in Europe hut so far have made little direct investment. Most of their sales in this region are by licensing

agreements or joint ventures. Other organisations that have put new money into Brit-ish Biotechnology in the latest tranche include some of its existing shareholders. Apart from the US groups these include Biotechnology Invest-

ments and Abingworth, two
UK venture capital concerns.
British Biotechnology, based
in Oxford, had sales of £3.2m last year. It employs 120 peo-ple. Most of its revenues come from research programmes for customers such as SmithKline Beckman and Abbott Laboratories and Pfizer, two other US

By Fiona Thompson, abour Staff

UNION LEADERS representing 6,000 manual workers in the 7.5 per cent pay offer in an effort to avert action timed for

Wednesday. The four unions involved the RETPU electricians, the AEU engineers and the TGWU and GMB general workers— last week announced plans for last week amounced plans for an overtime ban and a freeze on introducing new working practices from May 24 after rejecting the 7.5 per cent offer. Since then, the Electricity Council has been consulting the Central Electricity Gener-ating Board and the 12 area distribution boards in England and Wales, which it represents

distribution boards in England and Wales, which it represents in pay talks, and the two Scottish electricity boards, which are party to the agreement, to see what scope there is for improving the offer.

It is thought that the unions would find anything less than 9 per cent unacceptable. Mr

Fred Franks, EETPU national officer, said "if the employers make an offer that is a waste of time, we would walk away and action would start." drugs companies.

starts at

By Richard Tomkins, Midlands Correspondent

ABOUT 1,800 workers at one of electricity supply industry in Bournville, Birmingham, have been called to a meeting began an overtime ban and this morning. The employers work-to-rule last night after rejecting an 8.75 per cent pay

> The workers overwhelmingly rejected the offer in a secret ballot even though it had been recommended by national officers of the TGWU general workers' union and by local shop stewards.

The employees have demanded an increase of at least 10 per cent – two points above the inflation rate – together with an extra two days' holiday and a one-hour cut in the working week to 38

Those demands will be viewed with concern elsewhere in industry because Cadbury has an almost unbroken tradition of harmonious worker

The dispute affects only one of Cadhury's factories at Bournville.
It makes chocolates for Milk Tray, Rose's, and other boxed assortments. Other factories operate as separate profit centres and carry out their own

3.1

9.0

7.3 33.0

8.8

203

66 Profit before tax up by 49% Profit attributable to shareholders has increased by 47%

Overall increase in dividend of 46% 37

R W Rowland, Chief Executive

Jean Standalow,

Lonrho is pleased to announce a significant increase in the half year to March 1989.

Profit before tax has risen by 49 per cent to £120 million and profit attributable to shareholders at £70 million is up by 47 per cent, compared with

The second interim dividend has been increased by an overall 46 per cent as a dividend of 5.0 pence per share has been declared on an increased share capital following the 1 for 6 capitalisation issue.

To the United Kingdom good contributions w made by the Group's hotels and textile operations, with substantial benefits from the sale of the bulk whisky stocks in Scotland. Car sales are excellent.

Longho now has a major interest in the construction company, Bernard Sunley, which brings with it a well-placed central development site

Kühne & Nagel, the world-wide forwarding network, are reporting profits ahead of last year's, and Krupp Lonrho has made its first full half year's

The unaudited results of the Lonrho Group

The Princess Hotel Group has plans for expansion in Hawaii and the Far East. The Group's hotel operations in Africa have grown by the purchase of the famous Norfolk Hotel in Nairobi.

Mining is a strong feature of Lonrho. Platinum production in particular is up by 17 per cent in this half, compared with last year. Pauley Petroleum of California is enjoying improving oil prices which give a better outlook for the remainder of

The Board continues to be optimistic about the outlook for trading in 1989, which should be astonishingly good.

6 months

to 31 March 1989

19 May 1989

to 31 March 1988

6 months

HALF YEAR RESULTS

ended 31 March 1989 are as follows:—	£m .	£m
Turnover	2,427.7	1,714.6
Profit before tax	120.0	80.4
Tax	45.5	30.2
	74.5	50.2
Minority interests	4.6	2.8
Profit attributable to shareholders before extraordinary items	69.9	47.4
Extraordinary items	50.0	0.5
Profit for the half year	119.9	47.9
Earnings per share	12.8p	9.3

Turnover includes the Group's share of the turnover of associates amounting to £685.4 million (1988—£283.8 million).

Profit before tax includes profits from associates of £12.4 million (1988—£283.8 million). Profit before tax includes profits from associates of £12.4 million (1988—£18.4 million) and a trading profit from the sale of the Group's bulk whisky stocks of £38.4 million.

Tax charge: because of the incidence of accelerated tax allowances, the tax charge provided at the half year can only be

Earnings per share are based on an increased share capital and have been adjusted for the capitalisation issue in April 1989.

Extraordinary items include a profit of £51.2 million arising on the disposal of the Group's wine and spirits division, net of an estimated tex charge and after taking credit for the realised surplus on revaluation of the vineyards.

The Board has declared a second interim dividend of 5.00p (1988—4.00p) per share based on the increased share capital following the 1 for 6 capitalisation issue in April 1989, for payment on 2 October 1989 to shareholders on the Register at 11 August 1989. This dividend is in addition to the first interim dividend of 3.00p (1988—1.00p) per share declared on 26 January 1989 and paid on 6 April 1989. The cost of the first and second interim dividends an (1988—£21.5 million).

Shareholders will be entitled, if they wish, to elect to receive shares credited as fully paid in lieu of the cash dividend or part thereof. The necessary forms of election will be sent to shareholders in August.

LONRHO PIC, CHEAPSIDE HOUSE, 138 CHEAPSIDE, LONDON EC2V 6BL

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FINANCIAL TIMES

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Saturday May 20 1989

Governments and markets

WHO PULLS the economic strings, governments or mar-kets? Last week the answer appeared unambiguous. Governments were helpless specta-tors, while private market par-ticipants, indifferent to official

frowns, ran the show.

The investors that are pulling the dollar's strings appear determined to thwart adjustment of the US external deficit. Thus, at interest rates that make sense to the Fedaral Reserve for domestic purposes. the trade figures revealed this week were all that was needed to make the dollar - up some 5½ pfennig and 3 yen on the

reek – almost irresistible. The March US trade figures were, indeed, encouraging. None the less, they suggest that at best only a slow improvement is in the offing. In 1988 the trade deficit was \$120bn; it may be less than this in 1989, but is almost certain to exceed \$100bn. Meanwhile, the balance on services will tend to deteriorate as debt service obli-

gations mount progressively. Yet even after its recent strength the effective nominal exchange rate of the dollar is still a mere 7 per cent above its lowest level of 1980 and 15 per cent above the trough reached at the end of 1987. One should never forget that, throughout the 1980s, the enthusiasm of investors - notably the Japanese - for investing and then losing money in the dollar when it has been at (or even well above) present rates has been almost uncontainable.

Plenty of theories

This suggests that the strength of the currency could well be sustained, though that can certainly not be a prediction. Any exchange rate performance can be rationalised and any prediction defended. Purchasing power parity has become the flavour of the month, but there are plenty of competitors and, if the dollar should dive again, there will be no lack of more than satisfactory theories to explain that as

What is clear is that the strength of the dollar adds to Mr Nigel Lawson's cup of woe. A strong dollar and a weak D-Mark add to inflation, but do little to improve export prospects. The evidence this week tion that the British economy could have well done without. It is certainly not Mr Lawson's monetary tightening since last summer that has been pulling the economic strings. Even excluding mort-gage interest, the retail price index was up 5.9 per cent in the year to April 18 1989, such inflationary pressure heing shown across the board. It now looks almost inconceivable

5½ per cent in the year to the fourth quarter of 1989, as the Chancellor forecast at the time of the Budget.

Tightening market

Nor was other news particularly helpful. The decline of 60,000 in unemployment in the latest month, welcome in itself, suggests a tightening labour suggests a tightering labor market. It also suggests that productivity performance in the economy as a whole remains abysmal. Wages and salaries per unit of ontput rose 8.4 per cent in the year to the last quarter of 1988 and performance in early 1989 is likely to have been at least as had. Meanwhile, the growth of narrow money may have slowed, but that of the broader aggregates, so important over the past few years, continues at a torrid pace.

Does all this suggest that governments are helpless to influence events? Not at all it is rather that governments not only have a limited range of manoeuvre but can influence the behaviour of market partic-ipants, apart from those engaged in the financial markets, only over the longer term. It is for this very reason that they need to consider the full implications of policy choices so carefully.

In the case of global eco-nomic co-ordination, the effect on exchange rates can he immediate, but the longer term monetary consequences of exchange rate management are significant and choices correspondingly difficult. None the less, it is hard to believe that the implications of a further significant appreciation of the dollar would be other than highly damaging. At the same time, a carefully co-ordinated monetary loosening in the US along with tightening in Japan and West Germany, though risky, is unlikely to do serious harm. Even straightforward foreign exchange intervention, if on a large enough scale, could be very useful and would he a sensible way to profit from the reserves accumulated

Meanwhile, for the Chancel-lor, the key point is not that he has no influence, but rather that what he does now can tha future. The economy is now dancing to the tune he played before last summer. For most of the previous four years, whenever a choice had to be made that concerned the balance of risk between inflation in the long term and growth in the short term, the Chancellor chose the latter. The British economy will go on dancing to that tune for a long

Clive Wolman reports on Japanese industry's cost-saving achievements

eep inside the factories spread out along a narrow, 350-mile strip of land between Tokyo, Nagoya and Osaka lie the secrets behind one of the most remarkable upsets to consent and consents window.

ventional economic wisdom.

in 1984, the Japanese trade surplus was \$450n. Since then the yen has risen by 50 to 100 per cent against other major currencles — a development known in Japan as endako. When sterling suffered a similar, rather less steep rise in 1977-1981. rather less steep, rise in 1977-1981, British manufacturing industry suf-fered so badly that parts were com-pletely eliminated. But in Japan, the result five years later is e trade surplus running at more than \$100bn a year and a level of corporate profit-ability 30 per cent above that of 1884.

In the process, Japanese factories have reduced the break-even point for the profitability of their exports from Y210 to the dollar in September 1985

Y210 to the dollar in September 1985 to Y114 in March 1988, according to an analysis hy Fuji bank.

A number of factors have contributed to the sharp reduction in Japanese industry's cost hase. The stronger yen has given Japanese companies access to cheaper imports of raw materials and simple components; they have also shifted lower value-added production to third world countries. But the most important faccountries. But the most important factors have been cost cutting within Japanese factories; their upgrading of product design, quality and variety; and gains in productivity echieved – with very few redundancies – from

an already remarkably high base.

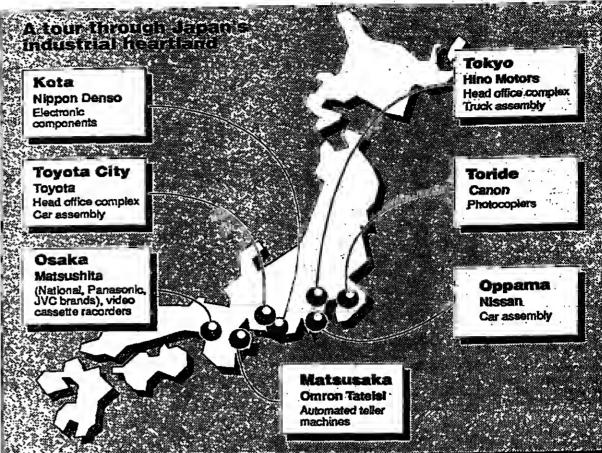
Central to these successes has been the application of technology, in particular to the conveying of informational descriptions. tion around factories. New technology has been accepted by workforces protected by the promise of lifetime employment and trained in a far wider range of basic engineering and quality control skills than their western counterparts. Their acceptance was secured by the atmosphere of crisis and pressure generated by the endaka — as the rise in the yen has been called — in which management highlighted the dangers to survival. As the yen rose to 150 to the dollar, workers at Canon's Toride factory wore "150" hadges to demonstrate their commitment to the cost-cutting programme necessary to allow the company to achieve profitability at that level. Now the target is to achieve profitability at Y100 to the

dollar. The classic Japanese devices of production worker quality circles and suggestion schemes have been expan-ded. Hino Motors' 10,000 workers, for example, have 645 quality circles and another 388 more recently formed "Discover Loss" groups. Every worker is expected to join one and each group is expected to come up with four to eight suggestions per month with prizes awarded for the best sugges-tions. The defect rate has fallen by 75 per cent since 1985.

Nissan, which suffered an operating loss in 1986-87, introduced the most intense forms of pressure. It streamlined the bureaucratic procedures for designing new cars and held two-day hlitzes to promote the rapid introduction of robots and other new technology. The change programme at the company's Oppama plant was led by a 50-strong team, with memhers seconded for 12 months to act as internal consultants, advising on almost every operation.

Throughout Japanese manufacturing industry, the most conspicuous technological innovation of the past few years has been the spread of robots. Japan's robot population ontstrips that of any other country; in tasks such as welding it has done so for more than a decade. In the last three years, large teams of robots have appeared elsewhere: the number

Profiting from the pain of endaka



of robots employed by Toyota in materials handling rose from 50 in 1984 to

400 hy last year. At Nippon Denso's Kota plant, which makes electronic components, which makes electronic components, fork-lift truck operators have been replaced by robots that pick up and deliver parts around the production floor, each one humanised by singing its own song as it glides around. The skilled processing work is then often carried out manually, in contrast to many British factories, where it is the workers, often possessing few if any engineering skills, who fetch and carry the materials to the robots for processing. According to Mr Roy processing. According to Mr Roy Westhrook of the London Business School: "Jepanese factories have placed people in a better psychologi-cal relationship to automation by lec-ting them feel that they are masters." Another area of automation is inspection and quality control. At Omron Tateisi Electronics, robots test each automated teller machine the

factory produces for up to 48 hours, feeding in cheque and credit cards and testing every possible combination of fecilities. At Matsushita's video cassette recorder plant, each stage in the rapid mounting of inte-grated circuit boards is monitored by

robotic "eyes".

But the most fundamental innovation in Japanese manufacturing has
been the introduction of computers
into production scheduling and control. They are used to ensure the delivery of the right components and materials to the right part of the pro-duction line just when they are needed. This represents the automa-

tion of the "just in-time" production system which, over the last 15 years, has had far-reaching effects on manu-

facturing techniques world-wide. The main reason that computer technology has been introduced so smoothly and effectively in Japanese factories is that it has been done incrementally, building on manually operated processes that were already orderly, completely visible and thoroughly understood by all the engi-

Nissan has cut its inventory level by a third over the last four years

neers involved. And just in time production has played a key role in simplifying and making transparent each stage of the manufacturing process. By contrast, firms in Europe and North America have often run into expensive problems in their attempts to introduce automation, as in General Motors' \$20hn automation programme in the mid-1980s. The difficulties arose because the changes were too fast and radical and were imposed

on a manual system that was chaotic or at best complex, opaque and inade-quately comprehended.

Even today, most of the efficiencies and orderliness of Japanese factories, as well as their quality control and speed of response to character manual control and speed of response to changing market demands, derive less from antomation than from imaginative low-tech-

devices. These include colour-coding, "foolproofing" - the modification of jigs, tools and fixtures to stop workers making common mistakes – and fast set-up and retooling times. The change-over times for dies in Toyota's stamping shops, for example, have been cut from as much as 10 hours to 165 seconds. Bar charts displayed on

the notice boards of each team's and

each individual's performance, task by task, on every change-over, sus-tains the pressure on them to keep Fast change-over times, combined with the most publicised low-tech device in Japanese manufacturing. the kanban cards used to order the replenishment of materials and com-ponents, form the core of the just in-

ponents, form the core of the last four time system. Many of the last four years' productivity gains can be traced to the computerisation of this. system to facilitate the ordering and delivery of materials just before they are needed to be worked on. After being developed by Toyota in the 1950s and 1960s, many of the key elements of just in-time production were adopted by other Japanese manufac-turers in the late 1970s and early 1980s. Mr Westbrook argues that the just in time system, as used in Japa-nese sutomotive and electronics companies. "is the most important development in the manufacture of

complex assembled products since Ford perfected the assembly line." Most obviously, just in time production leads to a drastic reduction of inventory. This means less working capital, no double handling of components, no laborious checking of mate-

rials into and out of storage, and less rials into and out or storage, and less warehousing space (an important point in land-hungry Japan). Justing point in land-hungry Japan). Justing time production allows machines to give to each other with the progress plling up between one which in turn makes it easier for the progress of workers to supervise groups.

of machines.
In fact, the key benefit of the just at a in tact, the key beautit of the property in time approach is its impact on the corganisation and motivation of the workforce. In the West, inventory is traditionally used as a buffer to control of the absorb delays - and also mistakes. Just in time production is supposed of a ensure that any defects and any production delays are immediately exposed. This in turn increases the pressure of responsibility on the individual worker, he or she can no long to the time defeating products in a relative ger bury defective products in a pilering of inventory.

One of the great gains in the

endales period has been the filtering down of just in time systems to the second and third tiers of small supplisecond and third tiers of small suppliers, backed up by technology trans a ferred from the larger companies. For example, Nippon Denso, which itself a has to make 22 just in time trucked deliveries of components to Toyotket each day, has since 1986 worked with a complete suppliers. Anies one of its own smaller suppliers, Anjor Denki, to automate its relay produc-

tion line.

It is striking, however, how muchant inventory the big Japanese companies have managed to squeeze out of their own systems in the past few years. Nissan has cut its inventory level by a third over the last four years. Nippon Denso and Hino Motoral have achieved similar cuts. About on third of Hino's average in process. tion line one-third of Hino's average in process stocks of 4½ days' production is at any one moment in transit to custom. ers or from suppliers. As its managing director Mr Hirochike Tamura-remarks, "the congested roads arounded: Tokyo are our most important wares house."

Further savings are possible. Figure Example, many companies, including to Toyota, still requisition parts from suppliers by using kanban (just in time order cards) collected by the drivers of the component delivers. trucks. Once it receives physical kentile ban from Toyota, Nippon Denso uses a computers to read and act on thentil. "Electronic kanban" - fully automated on-line ordering of parts - Mill being introduced only slowly. And many suppliers have yet to be interest grated into the just in-time systems. Thus Toyota has several days' invented tory of steel lying in front of ities stamping shops because of the relucial tance of the steel companies to make a

more frequent deliveries. Hino Motors provides an impressive demonstration of the flexibility of the automated just-in-time system. The company is now able to produce 1.963. different types of trucks (with 700. engine types of tracks (with 700° engine types) on the same production? lines. Trucks are assembled to orders one at a time — previously the minibal mum lot size was five — and with any lead time of only five days. This has given Hine such an advantage in enhancing designs and meeting swiftly the specific requirements of demestic track users that most for domestic truck users that most foreign truck manufacturers have despaired of penetrating the Japanese market, despite their cost advantage created by the rise of the Yen.

Yet even the most advanced Japanese factories are still far from the ultimate ambition of a completely computer integrated manufacturing system, seamlessly linking together computer-aided design, machining and processing and computer-coarstrolled scheduling and materials has dling and ordering. The potential of Japanese industry to achieve more of cost entiting, faster response times; and a greater share of world markets is far from exhausted.

week ago Peking was all set to welcome Mikhail Gorbachev Mikhail Gorbachev, the first Soviet leader to come to China for 30 years, in the theatrical setting of the city's vast Tianammen Square. On the north stand the spectacular vermilion gates of the Forbidden City, in the cen-tre the column dedicated to the fallen heroes of the revolution, while to the west rises the imposing Great Hall of the Peo-

It was here that the visiting leader was to get his first taste of Chinese ceremony, with a suitable crowd of welcoming demonstretors. But for demonstretors. But for Peking's top men, tha plan went horribly wrong. By the time Mr Gorbachev was due to arrive, the square was already sardine-packed with tens of thousands of students and supporters demanding more democracy in the wake of the death in mid-April of the reformist leader Hu Yaobang. Instead of the twin standards of China and the Soviet Union, the square was filled with col-

the square was filled with colthe square was fined with col-lege flags and banners embla-zoned with biting criticisms of China's leaders. It was no place to take a long-awaited guest. The Soviet leader ended his first day sneaking in the back door of the Great Hall like

some delivery boy.

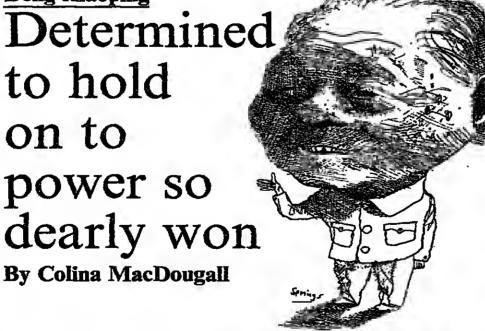
The loss of face for China's leaders has been extreme. This must be especially true for 84year-old Deng Xlaoping, who has been a particular target for the students. Never a patient man - said to be as peppery as his native Sichuan food - his anger at this humiliation is likely to exacerbate his fury at their personal attacks on him

'Xiaoping, resign! Xiaoping, resign!" roared orderly columns of marching students yesterday. "Xiaoping, thank you and bye-bye," beliowed the posters. Or, more wittily, in a parody of a famous bon mot he made years ago justifying capitalist methods, "It doesn't matter whether the cat le black or white as long as it

Deng is now facing one of the toughest battles of his pug-

MAN IN THE NEWS

Deng Xiaoping to hold on to power so



nacious career. He has held on to power since 1978. Initially, accompanied his economic reforms with a touch of political reform; then when that seemed too threatening (or his old cronies complained about it) he turned it off. He never seems to have taken aboard the idea that the opening up that he promoted for China would make political reform more attractive to its citizens, and indeed necessary.

Now tha students are demanding just the open scrutiny of the country's leaders and the freer society which he has rejected in the past. He has heavy backing in the leadership from the conservatives (which include the premier, Li Peng, in his fifties and young hy Chinese standards but a rigid and mediocre thinker). But they are all deeply unpopular for the current mess in the economic reform, for which

they are partly responsible.

Only Zhao Ziyang, the party leader, is at all trusted by the students. This week, when he apparently pinned the blame for the mistakes of recent years on to Deng, he seemed to be hinting that he might manoenvre Deng into retirement. But "Deng will never retire willingly," said one Chi-nese, and it seems unlikely that student backing would be enough by itself to give Zhao the clout to do it.

Something extraordinary has happened to Deng's reputation since 1984. Then he was hailed as China's saviour, the archi-tect of its economic reform, then at its peak of success. Agriculture was blossoming and the dangerous crevasses of the more difficult urban reforms had not yet begun to yawn. He was a hero in his own country, the architect of China's growth and impressive opening to the outside world after the had days of the Cultural Revolution.

Now almost everyone in the

Peking streets wants him to go. He's too old, they say, too stuck in the past, too anxious to hang on to near-imperial power, and abova all, too corrupt.

Sadly, the advent of economic reform in China with its stress on private husiness has given huge opportunities for wheeling and dealing. It is now commonplace for the leaders' offspring to have cosy jobs and hefty bank accounts, and

Deng's are no exception. His son, Deng Pulang, until recently had links with a huge and dubious Chinese business enterprise trading abroad. Yet it is difficult not to sympathise a bit with the younger Deng's situation. Thrown out of a window in 1967 by Red Guards when his father was under attack as China's No 2 capital-

ist roader, he is paralysed from the waist down and runs the country's only fund for the

handicapped.

The whole family had a bad time in the Cultural Revolution. Exlled to a deserted primary school in pover-ty-stricken Jiangxi province, the Deng parents scratched e living from the soil in its court-yard. The boy Pufang lay flat on his back in a Peking hospital, mostly neglected because of his family connections.

His parents eventually managed to have him hrought down to Jiangxi, where Deng (according to an account produced by one of his daughters to celebrate the old man's 80th birthday a few years ago) nursed him back to some kind of health, washing and feeding Pufang himself. No doubt this story somewhat embellished the facts, but of Pufang's disability and its cause there is no

There is much in Deng's past There is much in Deng's past to account for his grim determination to cling to power. He fought through the civil war and the historic Long March. With victory in 1949, he did well, trusted by Mao and carrying out the chairman's tough anti-rightist policies in the 1950s. He was no liberal in those days, any more than he is now. His liking for reform is strictly confined to the economic version, which could make China powerful and respected.

respected. Yet when the Cultural Revo-Intion came, it was just this trait which got him into trouble. After Mao's disastrous economic axperiment, the Great Leap Forward of 1958, Deng attracted the Chairman's hostility hy perking up the econ-omy with a few capitalist

He was exiled in Jiangxi until the 1970s, when, after five years of rehabilitation, he was sacked again as responsible for the Tianaumen protest of 1976 which grew out of the death of the charismatic premier. Zhou Enlai. Not till over a year after Mao's death did he get back to power, a position which he must now be determined never again to relinquish.

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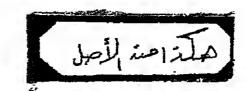
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مرات اهمة لأصل



Hazel Duffy considers the white paper on roads in the light of Britain's regional imbalances

nxiety marks the pages of the Government's white paper on roads published week - the anxiety that hout substantial edditions the capacity of Britain's ds, business will be handiped in its efforts to compete h continental Europe. A e part of the extra investat will go towards easing restion on roads in the th of England and on main tes linking the rest of the antry with the south-east

t the Channel Tunnel. ne white paper lists tions for relieving congest. They include more use silways and higher taxes on d users. These were dis-sed in favour of "widening sting roads and building roads in a greatly expan-

be paper states the objects of the new programme. To assist economic growth reducing transport costs To improve the environ-nt by removing through Mc in towns and villages

To enhance road safety.
There is no suggestion that a increase in roads spending ght also be directed to courage a better balance of momic activity between dif-ent parts of the country. But egestion is the most apparrsymptom rather than the sking the south-east. The

been an uneven geographical distribution of people and wealth around the country. For the last 50 years, governments have tried, with varying rates of success, to redress the imbalance. Two reports published in wartime Britain have had a significant influence on planning. The Royal Commission on Distribution of the Industrial Population produced the

south-east

Barlow Report which recom-mended decentralisation from London and regional balance throughout the country. It was to result in the system of regional incentives to industry which still exists, in modified form, today. In 1944, Patrick Abercrombie

the south-east has too much wealth, and it is becoming

That problem is not being

seriously addressed. Indeed, because of the Government's abhorrence of the eart of

regional planning which the

French and Germans would understand, it is the kind of difficulty which it cannot over

come Moreover, some plan-ning experts believe the

changes which the Govern-ment is introducing in the

planning mechanisms which determine land use will lead to

yet more congestion in the

For centuries, Britain's south-east corner has been its

focal point. There has always.



Treating symptoms rather than the root cause

Richard Waters examines the latest accountancy merger plans

Putting two together may

produced his Greater London Plan, still revered among plan-ners for its vision. It called for the dispersal of people and jobs from the inner core of London, and later, Glasgow. For 25 years, his recommended new towns became the focus for all over the country progres-

sively lost population.

In the 1960s, there was an attempt to intensify regional planning. Industry was refused permission to expand in con-gested areas like the west Midlands. The eventual closure of motor vehicle companies forced to relocate to Scotland serve as a powerful reminder

of the failure of that episode. The return to economic growth in the 1980s fuelled the prosperity that now strains the south. It has been exacerbated hy the pace of the shift in the economy from manufacturing to a financial and services base. The south-east has been and will continue to be the

main heneficiary. Another 150,000 to 200,000 jobs in financial services alone are expected to be created in the London area over the next 10 years. In the Midlands, the north, Scotland, Wales and Northern Ireland, recovery came later and has certainly been less advocate a return to the car-rot-and-stick policies of the 1960s as a solution to the imbalaoce and they are certainly not in the Tory Party. We are not going to direct

labour, industry or offices in the sense of saying 'you cannot build here, or you have got to build there'," says Mr Nicholas Ridley, the Environment Secre-

Government policy is to encourage development in the northern industrial cities mainly by subsidising the restoration of land formerly used by industry and thereby make it worthwhile for developers to move in. And the oew system of rating business will favour the north against the con-

gested south.

Mr Ridley champions the north of England as preferable by far to the south. His ancestral family home is in the north-east, and he sincerely believes that in time people will see the benefits of moving away from the south, where land and house prices are laod and house prices are much higher, to the north.

But planners argue that this attitude is far too relaxed in the face of the growing pressures in the south-east, particularly as Mr Ridley is also engaged in a shake-up which will devolve planning powers from the counties to local councils. A number of bodies represecting local authorities will take on the current role of

the counties and will advise the Environment Secretary on where they believe the new shopping centres, industrial and commercial developments. and houses should be allowed. Mr Ridley is bound to listen, but not necessarily to take their edvice before formulating

his own guidance. His critics see it as a recipe for confusion. "Planning must heve some degree of imposition, by government or county council. All you will have out of this exercise is e gentleman's agreement and the local councils will just look after their own patch," seys Mr Michael Breheny, Reader in the Geography Department of

Reading University. The London version of the oew mode of planning is currently being enacted. Councillors representing London bor-oughs, which are divided almost equally between Conservative and Labour control, will tell Mr Ridley shortly that, far from presenting a new opportunity to plan for the future of the capital, his draft guidance does not provide a basis which will make it possible for them to pinpoint the land required for vital new developments, including roads

and public transport.

The fruits of prosperity in London and the south-east are proving bitter; the prescrip-tions of the white paper can only alleviate the symptoms, not the underlying problem.

he domino theory has held sway in the accountancy profession augment the 1980s. Its pagnant the 1980s. Its mer any merger between of the Big Right accoun-groups would inevitably to further pairings, creat-na new Gang of Four. That any is about to be put to the

enst: & Whinney and Chur Young yeeterday counced a planned merger ich would form the world's gest professional services a. Accountancy firms no ger just sell accountancy, pere among the leaders in management consultancy clax advisory markets as H, and have eyes in the ere for corporate finance perhaps even legal ser-88. A \$4.3bn-turnover Ernst Young will be a formidable

ce in many disciplines. he Big Eight were created the 1960s and 1970s when ional firms around the together to create inter ional groupings. The need service international com-ies. — and in particular to

offer a consistent and reliable audit in all countries — was behind the moves. Arthur Young was created in 1968, while E&W was the last of the eight to be formed, in 1979. The next step, which has been predicted throughout the 1980s, is a further concentration as the eight move to fill in gaps in their networks and skills base. The intention is to

offer a consistent international service in other areas besides audit: tax, systems developmant, management consultancy, and mergers and acquisitions advice.

Ernst & Whinney and Arthur Young said yesterday that the point of the merger was to offer a mere complete service to clients. In the words of one of those involved in the negotiations: "Major clients will benefit in areas of the world where either one or other of us was weak." The danger of losing ground to ompetitors in these areas was threat neither could risk. These clients include Bank of America, Time, BP, British Airways, BTR and National Westminster Bank at Ernst &

Whinney, and American Express, Texas Instruments and Mobil at Arthur Young. Lurking all the time in the

background is the accountants' traditional obsession with size. Rrust & Young's ability to boast of being number one in the world, and in the top three in every impor-tant country, is valuable in a market where clients find it difficult to sift between rival The question now is how

others will react. Arthur Andersen, which long bathed in the glory of being number one, will become number three worldwide, behind Ernst & Whinney and KPMG, itself e product of a merger between Peat Marwick and KMG two

years ago. In the UK, Coopers & Lybrand, so proud of being number one three years ago, will slip to number four.

Further down the league, pressures are likely to be even stronger. Touche Ross, long the smallest of the eight, though growing fast in some territories, will begin to lose touch with the giant merged firms. Deloitte Haskins & Sells, which planned (unsuc-cessfully) to merge with Price Waterbouse in 1984, is also likely to feel the draught. In the words of one Big Right partner yesterday: "If the merger works, the Big Right will disappear over-night." As happened when Price Waterhouse and Deloitte Price Waterhouse and Deloitte

discussed a link nearly five

meetings were being called all around the world yesterday. There are, however, a number of factors which suggest that the impact of an Ernst &

Young merger may be limited:

It may be difficult to achieve. Partners in each country will vote on whether they want to go ahead with the deal. This will require a three quarters majority on both sides in the UK and two thirds in the US, with similar levels of support needed elsewhere around the world,

One obstacle to this could be different levels of profitability. Ernst & Whinney is more profitable than Arthur Young in the US and UK, suggesting that Ernst & Whinney part-

turn the Big Eight to four ners would suffer a dilution in their earnings in these countries. The firms' leaders are counting on the economies of scale created by the merger to get them over these burdles. And it is believed that - at least in the UK - the two firms' partners will remain in separate profit pools for up to three years, smoothing the transition to the new arrange-

> Arthur Young and Ernst & Whinney firms around the world will each be left to work out their own merger agree-ment. Unlike in the merger between Peat and KMG, no financial support will be pro-vided by the international organisations to overcome any difficulties that may emerge.

The KPMG merger, widely seen in the profession as a suc-cess, resulted none the less in the loss of around 10 per cent of the combined firms' turn-over in defections. Ernst & whinney and Arthur Young are likely to lose at least this, if only because their networks are not such a natural fit as those of Peat and KMG. Arthur Young's strong Euro-pean firms - such as Moret & Limperg in the Netberlands and Schitag in Germany -

will be heavily conrted hy other international firms. · Even if the merger is a success, it will take time for the new organisation to gel. The two firms said yesterday that they have very similar management styles, which involves deferring to partners around the world rather than adopting the more centralist management now becoming fashionable in the accountancy world. This may make man-agement of the projected 6,000-partner firm a headache for its leaders in a way that running two 3,000-partner

The proposed empire 1988 (\$m) North America 2,450 North America
Europe
Asia, Pacific Rim
Africa, Mideast
and S. America
Total

The main rivals 1988 (\$m) Arthur Andersen 2 820 Coopers & Lybrand 2,500 Price Waterhouse Defoitte H&S **Touche Ross**

will be largest in terms of fee income, its client base in the UK will not match those of KPMG and Price Waterbouse, or, in Continental Europe. those of KPMG and Coopers & Lybrand. However, it will put it firmly at the top in the US. These and other entrails of the proposed merger will be pored over by the two firms' major rivals in the coming Although Errst & Young

LETTERS Les confections to the confection of the confect

ockers fear 'the call'

In Mr Denis Delay.
Sir, Debate about the Rional Dock Labour Scheme " At lost sight of an important Ptor motivating the dockers Etheir opposition to the heme's abolition. We should member that the casual four system in the docks was ally abolished only 22 years

True, the scheme was introced in 1947, succeeding simiwartime echemes which re introduced in 1941 to keep ports operating in hostile stitions. But these were all perimposed on the casual tem; they did not abolish it. olition had to await Lord

vlin's reforms of 1967. 'or many of today's dockers, refore, the ritual of showing on "the call", often unsure ether work would be availe, is a quite recent memory. at they fear now is a return ome variant of that system, h the protection at present rded by the scheme gone,

trary action by the employers. Should that happen, the clock will be turned back half a cen-

And in fact what the port employers probably have in mind (notwithstanding their apparent denials) is re-establishing in full rigour a "two-tier labour system" in the docks, whereby they will directly employ a nucleus of "permanent men" and supplement them with casual employees, with the number fluctuating according to day-to-day requirements.

They would proably find it

leaving them as vulnerable as road — which particularly their fathers once were to articularly explains the drop in British

advantage at the price of

impracticable at present sim-ply to becken "casuals" through the gate, individually, from men waiting in hope outside (tha practice up to the Second World War), so they will probably rely on labour-only sub-contractore. The steel industry (to give an example) has gone a long way down that

Steel's labour force from 191,000 to 56,000 in a decade. If this is what they intend, the employers may be on the verge of making the expensive mistake of seeking short-term

> long-term stability. 100 years ago this August a dispute in the West India Dock about the sub-contracting sys-tem, which the then dock companies had adopted to force down labour costs, precipitated the historic London dock strike.

From that followed genera-tions of bitterness in industrial relations in the docks, for which the employers, the men, and the UK all paid a very big price in terms of conflict. If the employers do not intend this, what do they Denis Delay,

I hope you will print this ref-utation of Mr Tyler's untrue

Ngare Sergoi Rhino Sanctuary, c/o Lewa Downs, Private Bag,

9 Parliament Hill Hampstead NW3

Anna H. Merz

Pension power

From Mr T.S. Shucksmith. Sir, Barry Riley (The Long View, Weekend FT, May 13) writes that final ealary schemes only have an advan-tage over money purchase arrangements if employers are willing to pay top-up contribu-tions to them in lean times.

There is, of course, no reason why companies cannot pay top-up contributions to money purchase schemes.

Companies can - and per-haps should - have a corporate objective for money pur-chase schemes, which they sponsor. Mr Riley correctly identifies that the provision of decent pensions is not the objective of many pension schemes. However, many companies are less than bonest about this, and often try to-give the impression that the company will look after retirement through their scheme. This is understandable, but in the end unhelpful. Mr Riley correctly identifies that it is the companies (or

many of them) which have not applied resources to maintain the purchasing power of pensions in inflationary times. He does not emphasise sufficiently that, apart from resources needed to meet minimum bene fits, the excess is at the com-pany's disposal to apply to contribution reduction, or

whatever. Trustees cannot grant pension increases without companies' agreement if this imposes an ultimate cost on the companies. Barry Riley fails to stress that a significant proportion of the funds in balance of cost schemes does not belong to the members.

But it is perfectly feasible to write defined benefits schemes on the basis that all the assets do belong to the members (albeit beld by trustees). It is legally and financially possible to turn pension increase expec tation into entitlements. TS Shncksmith. Lincoln House, Nutley Lane,

Prudent to require receipts

From Mr Cedric Marsden. Sir. Two members of my family held shares; one sold. A free scrip issue has been made, and the present holder finds she is short of a small number of new shares - which have been issued to the other. As certificates were held, correction should be easy. But if the present proposals to do away with share certificates go through, what protection

against mistakes will there be for shareholders - any more than for cash card bolders? When paying a bill by cheque you can enter the date and cheque number on the bill without getting a receipt. But in future, cheques may not be returned to bank hranches. It may be prudent to go back to receipts. Cedric Marsden 22 Pembroke Gardens Close, WS

Gather therefore the rose

From Professor Andrew Gurt. Sir. The discoveries at the Rose site have been halted at a crucial point. Evidence of e major rebuilding of the stage area was just emerging when the archaeologists were called off the site on May 14.

Theetre historians know from Henslowe's papers that important rebuilding of the theatre went on in 1592, when Shakespeare was most likely writing for it, e little before his plays were hits on its stage. The redesign of that stage in 1592 is the most precise and positive evidence we shall ever have of how thinking about stage design was developing in those vital years. And now the work of discovery has been

Mr Ridley's month of grace

to discuss with the architects a means of preserving what has already been uncovered on the site. This may be an invaluable concession. But the real discoveries are still to coma, and the archaeologists are now off the site. It is imperative that the decision reached in this month of negotiations takes into account bow much still remains to be learned from the site. The need to preserve it for posterity is imperative, but it will be a half-discovery at best if the archaeologists cannot carry their work through, so that theatre historians can be allowed to assess what myster-

ies the site is still hiding.

gives time for English Heritage

Andrew Gurt, Department of English, University of Reading

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Jeither truculent, resentful nor muddled' tions on them. To the best of my knowledge the animal is neither truculent, resentful nor muddled. His intelligence is I hope you will print this ref-

m Mrs Anna Merz. Dir. I have just seen Chris. Tyler's "The Black Rhino" exend FT April 8/9), and I disgusted that a paper of stature of the Financial lea should publish an have lived near wild rhinos

for five years, and have : 3,000 hours of observa-

If-help can have its own dynamism n Mr Alon Rothwell. r, Michael Prowse's "The 7 4) cheats, but probably in the eyes of the Thatch-

- y exists are isolated indiatcherites do not say that; dy would say that, it is id. Thatcherites say that ety" as an entity has no ity in people's minds. Ask ne what they are prepared for the Government, and will look at yon as though were daft. There are, how-other social groupings to h they will give time and

s, is an illusion: all that

ne family: most people will rings for their children or parents. ne community: people will for their town, local en'e guild, parish church.

Charities, which deal with specific areas of human need, also excite people'e enthusi-

probably on the level with that of an elephant - that is, like

all the great mammals he is very intelligent. He has a very complex and fascinating social

behaviour pattern and methods

of communication, and his sex

This is the sort of society which could be described as the vision of Thatcherites and it is one which we can see beginning to be created. The very large amounts of money raised by charities in recent years give the lie to those (like Michael Prowse) who believe that people of the UK are

becoming greedy.

Recently I went to collect a cheque for a charity which sends terminally ill children on holiday. A group of men, some of them unemployed, had pushed a 10 ton truck for nine and e half miles while their womenfolk had gone round with collecting boxes. A group of bikers, all black leather and dark glasses, had helped sort out the traffic problems.

They had raised £2,250. That evaning I met people who knew they had accomplished something. Their backs were straight, their handshakes were firm and we all laughed a

This sort of dynamic social co-operation actually means something to the participants
become the recipiants of great
benefits. But the collectivist approach actually discourages this form of self-help; ask any socialist what he thinks of charity and watch the sneer spread over his face.

Michael Prowse's picture of the corporate state taking the money as taxes, and then doling it out to the deserving as welfare payments, is as undynamic as it is boring. Alan Rothwell, 23 Clarendon Street, Stockport, Cheshire

Overseas

losses hit

By Alice Rawsthorn

Connection

FRENCH CONNECTION, the fashion group, has fallen vic-tim to competitive conditions in the young fashion market

by planging into a pre-tax loss of £990,000, from pre-tax profits of £5.02m, in the year to

January 3L Mr Stephen Marks, chair-

man and majority snareholder, described the group's perfor-

mance as "lonsy". He cited competitive market conditions as one cause of the problem but eaid French Connection's management had also made

The City was prepared for the announcement given that Mr Marks had warned share-holders in February that the

holders in February that the group was likely to move into a loss for the full year. The share price slipped by 6p to 87p yesterday.

Group turnover fell to 255.06m (£58.93m) and operating profits to £292,008 (£6.11m). The interest charge

was £1.28m (£1.1m). There was

a loss per share of 6.9p (earnings of 16.7p). The board proposes a maintained final dividend of 3.5p making an unchanged total of 5.25p. The

directors have waived their rights to dividends of 2560,000. The core French Connection and Nicole Farhi fashion busi-

and Nicole Farhi fashion bustnesses in the UK managed to
remain profitable, albeit at a
lower level, in very difficult
conditions, according to Mr
Marks. He said that trading
had improved in recent weeks,
reflecting the sunny summer
weather, but the general environment was still tough.
French Connection's problems were concentrated in its
overseas interests. Its whole-

oversees interests. Its whole-sale business in France suf-

fered a "dramatic downturn"

in sales and moved from profits of £500,000 to a loss of £500,000. Mr Marks said the

business has since returned to

profit, but the French market

French

Whisky sales help Lonrho advance 49% to £120m

LONRHO, the international trading conglomerate headed by Mr Tiny Rowland, yesterday announced interim pre-tax profits up by 49 per cent from £80.4m to £120m. The company also declared a dividend increase — effectively 46 per increase — enectively 46 per cent — much higher than expected. The message from the figures was mixed as the bulk of the gain at the pre-tax level came from a £38.4m profit on the sale of whisky stocks, realised when Lonrho sold off the European drinks businesses. its European drinks busine to Brent Walker last November. Ignoring this, underlying profits rose only fractionally, from £80.4m to £81.6m.

from £30.4m to £31.6m.

Despite this apparently flat performance, Mr Rowland sounded an extremely positive note in his review, "The board continues to be optmistic about the outlook for trading in 1989," he said, "which should be astonishingly good."

As is normal at the interim stage, there were few details of

stage, there were few details of operational performance, although the group's platinum mining operations were singled out as doing particularly well with production of the precious metal up by 17 per cent in the



rishingly good

first half.

Lourho said that good contributions had been made from the group's hotels and textile businesses in the UK, and that car sales were "excellent". Lon-rho has the UK distributorship

Profits at Kühne & Nagel, the freight-forwarding net-work, were ahead of those made last year whilst Krupp

to be paid out on the share capital as increased by the one-for-six capitalisation issue in April and means an overall divided increase of 46 per cent. The shares responded by Tiny Rowland: 1989 should be gaining 3p to close at 285p. Analysts were intrigued by the results insofar as they were both ahead of and below expec-

> performance. There was no news on the 204 per cent stake held by Mr Alan Bond, the Australian entrepreneur, which has been up for sale since the beginning

tations. The dividend and Mr

Rowland's statement were at odds with the underlying flat

Lonrho made its first full

from £1.71bn to £2.43bn and there was an net extraordinary

profit of £50m arising from the

profit of 150m arising from the £180m sale of the drinks husi-nesses. Earnings per share rose to 12.8p (9.3p).

The second interim dividend of 5p (3.43p adjusted) follows on from a first interim divi-dend of of 2.57p adjusted (0.86p adjusted) appropried earlies in

adjusted) announced earlier in the year. The second interim is

Turnover for the group rose

year's contribution.

See Lex

Anglo takes on two directors

By Nikki Talt

ANGLO, the UK-listed company through which Sir James Goldsmith and Mr Jacoh Rothschild plan to make their forays into the UK corporate sector, yesterday announced that it was adding two non-ex-ecutive directors to its board.

One is Mr Ronald Grierson, the vice-chairman of General Electric Company, Mr Grierson was chief executive of the Industrial Reorganisation Corporation in the late sixtles, before becoming the European Commission's director general for industry in the early seventies and senior partner at stockbrokers Panmure Gordon

Joining Mr Grierson in a

MR LOU HAGOPIAN, a non-executive director of Charles Barker, the advertising

public relations and recruit-

ment company, has resigned.

Barker said there was a possi-

ble conflict of interest between N. W. Ayer, where Mr Hago-pian is chairman, and Charles

Barker on the sale agreement

concerning the Ayer Barker

PINTANCHERAGENSS

19/5

Pald Up

LONDON RECENT ISSUES

consumer agency.

EQUITIES

4300

Angle board, will be Lord Rawlinson of Ewell, the former Attorney General.

The news was given by Mr Rothschild to the sprinkling of shareholders who turned up at London's Queeen Elizabeth Conference Centre yesterday to vote through the formalities required to give Anglo Leasing, previously a medium-sized leasing company, its new struc-

Despite the press attention devoted to Sir James' impending return and the dramatic surge in Anglo shares, attendance was minimal. The half dozen shareholders who turned up were swamped by the conference hall surroundnon-executive capacity on the ings, and heavily outnumbered

Charles Barker director resigns

Charles Barker, began to be distanced from the group, when N. W. Ayer paid £3m cash for a 25 per cent stake.

Under the agreement a further the agreement a further the agreement as further the state of the state o

ther profit-related amount, also

in cash, was to be subscribed following publication of Ayer

Barker's profits for 1989, N. W.

85.2 19 5.5 121 W. 14.9

15.25

13.79

6.2

Closing Price £

Ayer's stake rising to 56 per

by a bevy of advisers and, indeed, by Anglo directors themselves. Sir James himself

was not present. Not that those who stayed away missed much. There was only a passing reference to Thursday's acquisition by Sun-ningdale Holdings, in which Anglo will become the largest single shareholder, of a 29.9 per cent stake in food group, Ranks Hovis McDou-

Ranks, meanwhile, will bold a board meeting next week, when it will formally decide whether to continue with its bid for Sydney based Goodman Fielder Wattle — although this seems increasingly unlikely. Sir James Goldsmith is

with a maximum of form.

It is understood the areas con-cerned are possibly the mini-

was still very difficult.
He described the performance of the West German subsidiary, which lost £800,000 during the year, as diabolical. The position was being assessed and losses had been reduced. Best of All Clothing suffered from the troubled state of the US fashion market. The busi-ness remained profitable but sustained a £1.2m fall in profits. Without Best of All Cloth-Yesterday, Barker said that N. W. Ayer had indicated that there might be a problem with the agreement, but added that negotiations had not re-opened. ing the group would have made a pre-tax loss of £1.15m (profit of £3.85m) on sales of

£43.83m (£46.87m). Mr Marks said he was taking steps to strengthen the group's management. French mum payment and the timing Connection was now trading profitably and should return to profit for the full year, he said, hat market conditions were still "very, very diffi-

of payments. N. W. Ayer holds a 12.4 per cent interest in Barker itself. Mr Hagopian joined the cent. There could he an upward adjustment based on Last year, Ayer Barker, pre-viously wholly-owned by the 1991 profits. The minimum total payment was to be 25m Charles Barker board in 1987. | cult".

Edwardes reminds Gold

Fields of responsibilities: By Kenneth Gooding, Mining Correspondent

THE DIRECTORS of Fields board were unconvinc-Consolidated Gold Fields, the ing. diversified UK mining group, "As the largest shareholder must do more than merely in the company we will do fulfil the many promises they made" during the course of the failed £3.5bn bid from Minorco, the Sonth African-controlled investment company, said Sir Michael Edwardes, Minorco'a chief executive.

In a letter sent yesterday to Gold Fields' shareholders, Sir Michael added: "The directors of Gold Fields should consider their position very carefully now that snareholders who speak for 55 per cent of Gold Fields have shown that they wanted Minorco's offer to suc-ceed and Gold Fields to be given new strategic direction."
The fall in the Gold Fields' the fall in the Gold rieds share price since the hid was allowed to lapse "placed a very heavy responsibility on the Gold Fields' directors," said Sir Michael. "The failure of the Gold Fields' financial defence in color indication that these is a clear indication that those promises [made by the Gold

in the company we will do what we can to ensure that the board does not again neglect the ehareholders of Gold Fielda' Mr Rudolph Agnew, chair-man of Gold Fields, admitted

in a letter to his shareholders that Gold Fields was "never going to be the same again.

Hs added: "We have pledged ourselves through our demanding three-year performance tar-get to create future value for chareholders and we are totally committed to this. He promised the board would "keep in close touch with shareholders as our plans

share. Ferromet is involved in the ● During the course of the hid Gold Fields received about processing of stainless steel scrap and high temperature 3,200 requests for its corporate video, its recorded telephone messages prompted more than 16,000 calls and more than 500 Turnover for the group grew from \$6.1m in 1984 to \$31.4m in 1988. Pre-tax profits over inquiries were made to its shareholder information desk. the same period rose from \$118,000 to \$1.83m.

Omnicom is BMP white knight

OMNICOM, the world's fourth higgest advertising agency group, yesterday emerged as a white knight for Boase Massimi Pollitt, the agency and marketing services group which has been contesting a £118.5m leveraged bid from Boulet Dru Dupuy Petit, the

French agency.
The Madison Avenue-based group unveiled a 365p-a share recommended cash offer for BMP as the market opened yes-terday, and promptly went into the market. By the close, it had acquired agont 7.4 per cent, including the 2.6 per cent acquired by TBWA, another agency group, during the bid battle.

Directors speaking for 9.58 per cent of BMP have also given irrevocable undertakings to accept Omnicom's offer. BDDP, an unquoted com-

a further amouncement in due course. When it declared its revised offer of 345p a share final last week, it reserved the right to raise its terms in the event of a competing

Yesterday, some analysts were reluctant to rule out a return by RDDP, pointing out that by giving up the fight for independence, RMP had in effect set an auction. But they still suggested that the odds were on Omnicom succeeding: BMP shares rose 23p to 365p, yestarday Ip above the Omni-

yesterday in above the Umin-com price.

Omnicom had been strongly tipped as a potential partner if BMP decided on the white knight ronte. It held discus-sions with BMP ahead of BDDP's stake-building two months ago, and, BMP dis-closed yesterday, was one of the two unnamed companies pany, said that it would make

mentioned as a potential pert-ner in one defence circular sent to shareholders.

sent to shareholders.

Yesterday, Mr Martia Boase, BMP's chairman, said that the decision to call in Omnicom and start serious discussions was taken on Wednesday night. After holding institutional presentations, BMP decided that the outcome of the BMP battle was "fairly balanced, although possibly in our favour". But even if BMP had kept its independence, BDDP could have remained a significant minority shareholder, having acquired a stake of almost 15.2 per cent.

Omnicom was formed in 1866

Omnicon was formed in 1986 by the merger of international agencies. It now has two major agency networks, BBDO and DDB Needham, plus other interests in 1988 income before tax was \$77.6m with wurldwide billings standing at \$6.3bm.

Omnicom's UK presence is relatively small, it does, however, have significant operations in other European countries, such as West Germany and Holland. Its total European commissions and fees last year were \$256.4m out of a group total of

\$881.3m It is intended that BMP would become the main holding company for all Omnicom's UK operations.

Yesterday, assuming the BMP deal goes through on the current terms, Omnicom suggested that earnings dilution might be of the order of 5 per cent in 1969, with no dis-tion after that. The other will be funded by loan facilities. There are some potential cli-ent conflicts, but Omnicom said these should be minor,

amounting to less than 5 per cent of total billings.

With Dillons and Preedy, T&S will jump to third in CTN league

Next sells newsagents for £53.9m

Mr Peter Lomas, Next's

By John Thornhill

UNITECH, the electronics

components manufacturer,

announced that its Japanese subsidiary Nemic Lambda KK, bad taked 211.8m through a private placing of shares. This is in preparation for a planned public quotation of Nemic on

market in 1991.

Nemio-Lambda, a subsidiary
of Vecco instruments, the US
power supplies company which
Unitech acquired late last year,

By Andrew Hill and Maggie Urry

NEXT is selling its Dillons and Preedy newsagent chains to T&S Stores, thereby unpicking another seam of the high street and home-shopping retail group sewn up by Mr George Davies, its former chairman and chief executive who was sacked before Christmas.

The £53.9m deal should nearly double the turnover of nearly double the introver of T&S Stores, tripling the num-ber of outlets operated by the West Midlands tobacco, news-paper and sweet-seller. It will make T&S, which started life as a cut-price cigarette klock in Wolverhampton market, the Woverhalter in the UK's third largest chain of confectionery, tobacco and news retailers (CTNs), excluding John Menzies and WH Smith. The price is more than don-

hie the £25.7m market value of T&S, the shares of which were rest, the snares of which were suspended at 143p last week.

Tes sims to fund the acquisition with a 250m fully-under-written rights issue, on the basis of 254 new Tes shares for every 100 already held, at 115p

The shares will stay frozen until June 8, the day after the

First close gives

Isosceles, the newly-formed company which is waging a £1.73bn leveraged bid for Gate-

way, Britain's third largest

food retailer, said it had received valid acceptances in

respect of 4.87 per cent of its

target's shares by yesterday's first close. It also received acceptances which were not validated in respect of another

0.11 per cent.

The 4.87 per cent figure includes shares held by Globe Investment Trust, Murray Johnstone, and Si, three of the institutions offering equity

backing to Isoscales, Shares held by a fourth institution, Mercury Asset Management, are not included, however, MAM's interest is about

another 2 per cent.

If the shares held by the

three institutions are extracted, acceptances from "outside" shareholders equate to around 2.3 per cent.

The offer has been exten

Clogau acquisition

Clogau Gold Mines is planning

to diversify its metal and min-ing interests by the acquisi-tion of Ferromet Resources in

a \$10m (£5.9m) deal funded by

the issue of 35.25m new ordi-nary shares at 16.75p per

for a further two weeks.

Isosceles 4.9%

of Gateway

By Nikki Taft .

special shareholder meeting to approve the acquisition.

Mr Davies had planned to use the "neighbourhood" shops as collection points for Next's as collection points for Next's home-shopping customers. However, plans to introduce the service moved much slower than expected and Next said yesterday that other methods of distribution were more effective. The Next Directory, a new type of mail-order catalogue. style of mail-order catalogue ameched in January 1988, saw the formation of a network of couriers who deliver customers' purchases Next bought Dillons in July 1987 for £28.5m and Preedy in April 1988 for £21.4m. The net asset value of the two chains is

George Davies: his empire is

finance director, said yesterday that following an earlier sale of some Preedy shops to WH. Smith, the sale of some properties and the dividends taken from the business, the book cost of the two chains was 1934 in These contributed about 233.4m. They contributed about film to Next's latest annual profits, which showed a sharp fall to 262.3m pre-tax.

Unitech placing in Japan

the Tokyo over-the-counter of the ESOP.
This has increased NemicNemic-Lambda, a subsidiary

This has increased NemicLambda's issued share capital

neutral effect on the group's profits, he said. Next's shares rose 6p to 158p. Before the deal, Tass owned 175 stores, trading under the Superciga name, only about 20 per cent of which sell newspapers. Mr Kevin Threlfall, Tas's chairman and chief executive, said yesterday that after rationalisation the group would operate 535 stores, including 70 sub-post offices and 42 off-licences. The purchase will place Tass in the CTN league behind Martin Retail Group, controlled by a combination of British and a combination of British and Australian investment trusts, and Forbuoys/NSS, part of Gal-laher, the US-owned produces of branded cigarettes. Preedy's Tipton distribution centre and some 35 stores would be sold, said Mr Threl-

As a result of the sale Next will have an extraordinary gain of about £20m, which Mr Lomas said would increase Next's asset value by 10p a share. The sale would have a

has issued 15,000 shares at

V5.600 (£25) to its employees through an employee share ownership plan (£50P). It has also issued \$5,900 shares at Y54,900 to several Supanese

institutions and 2,500 shares at

by 12.5 per cent. The proceeds

will be used to finance further expansion in the Far East.

In the longer term, T&S hopes to supply the whole net-work of stores - from the south coast of England and Wales to north Yorkshire from its warehouse at the group's Walsall headquarters. T&S refused to be drawn on

whether the acquisition would dilute earnings of the enlarged group in the first six months to T&S December year-end. But the company did say that is hoped to declare an interim dividend of I say and a first dividend dividend of 1.5p and a final div-idend of 2.5p. That would make a total of 4p for 1989, compared

with 2.6250 in 1988. Next is also looking for a buyer for Mercado, its carpet husiness, which like Dillons and Preedy, is not considered 2 core activity. Mr Lomas said the group planned to keep Biba, its West German retail chain, which made a high

return and gave the group a footbold in the EC. See Lex

Trilion £5.25m purchase

The purchase, it idded. Triffice. The USM-quoted would enable Triffice to service the type of work previously carried out at Limehouse and the type of work previously carried out at Limebouse and gave it "the flexibility and space within London to expand and develop as additional television channels are

created".
Meanwhile, Brent Walker, the leisure group, yesterday announced it had taken its holding in Trilion to 29.9 per cent with the acquisition of 880,000 shares.

for £25m last year, is buying Lee international's film studies at Wembley, Middlesex.

It is paying a maximum of \$5.25m cash for the complex, which includes two television studios, each with an area of 6,600 sq ft. The company said the rest of the site was suitable for redevel-

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Community Hospitals allocation By Clare Pearson

The offer-for-sale of 11.1m shares in Community Hospitals Group, only the second company purely involved in private healthcare to come to the UK market, has been more the UK market, has been more than seven times subscribed.

Allocations are being scaled down and the hasis, announced yesterday by issuing house Granville & Co, is:

Applications for up to 1,000 shares receive full allocation; between 1,500 and 10,000 — 1,000 shares; 11,000 to 50,000 — 2,000; 55,000 to 100,000 — 5,000; 110,000 to 150,000 — 15,000; 110,000 to 340,000 — 15,000; 350,000 to 500,000 — 40,000; 350,000 to 500,000 — 40,000; over 500,000 — 100,000.

Granville said that 7,800 applications for some 83,2m shares had been received during the offer, which values the company at £43.5m. Shares reserved for employees and existing shareholders have have have they existing shareholders have been taken up in full. Dealings commence next Thursday.

Alkar losses hit Walker Greenbank

RIGHTS OFFERS Clasing Price 9 Amount. Paid up High Low 84 pm 34 pm 35 pm 35 pm 20 pm 71 pm 11 pm 11 pm 80 5 70 8 10 pm 42

FIXED INTEREST STOCKS

a Annualized dividend.In Figures based on protection estimates of Dividend rate gold or straight on part of capital. Cover based on Shidend on full capital, glossomed dividend and yields. Dividend and yield exclude special payment, or Forecas, or estimated annualized dividend, power based on previous year's explaining. Dividend and yield based situation for Shimates for 1999. I. Estimated annualized dividend, ower and girk based on Salest, annual earnings. In Dividend and yield based on Prospectus or other official estimates for 1998. If Dividend and yield based on Prospectus or other official estimates for 1998. If Dividend and yield based on prospectus or other official estimates for 1999. Or Grown. If Forecast, annualized dividend, over and girk protection or prospectus or other official estimates for 1999. Or Grown. If Forecast, annualized dividend, over and girk protection special protection. Forecast annualized dividend, over and girk protection special protection. Forecast annualized dividend on the other of ordinary states as a "rights". I Introduction. Special protection protection. Forecast annualized dividend on the ordinary of the special special protection. Forecast annualized dividend on the ordinary of the special protection. Forecast annualized dividend over the ordinary of the special protection. Forecast annualized dividend over the ordinary of the special protection of the special protection. Forecast annualized dividend over the ordinary of the special protection of the special protection of the special protection. Forecast annualized dividend over the special protection of the speci

TRADITIONAL OPTIONS

First Dealings Last Dealings Last Declarations For rate indications see end of London Share Service

May 15
May 26
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Aug 10
Aug 21
Evered, Marley, Prop Trst, IMC,
Atlantic Res, P&O Warms, UTC,
Coalest Eagle Trst, Tellos, Casket, Eagle Trst, Tellos, Holmes Prot, Kelt.

SERIOUS PROBLEMS at its Alkar International subsidiary overshadowed the results of Walker Greenbank, the miniconglomerate, which were

announced yesterday.
Following revelations last
November that material accounting irregularities had been discovered in Alkar, the company disclosed yesterday that the shopfitting subsidiary had incurred a loss for the year of £6.9m. It had also caused a £4m downgrading in the previous year's profits, and had resulted in an additional extraordinary loss this time of

Overall Walker Greenbank reported a sharp drop in pre-tax profits to £3.09m in the year to January 28. This compared with the reported £11.1m result, since restated as £7.1m, achieved in the previous

The stock market, which had slashed the share price in November, shaved only 3p off the price and it closed at 72p. Mr Nicholas Brown, who was appointed chairman following the resignation of Sir Anthony

Jolliffe earlier this month, conceded that these results were exceedingly disappointing but said that remedial action was being taken at Alkar. He stressed, however, that

the rest of the group had experienced continued growth.
Excluding Alkar, pre-tax profits rose from £8.9m to £9.9m. The wallcovering division produced a £7m profit and Wilcomatic, the car cleaning equipment supplier, yielded a record £1.8m.

Eleven acquisitions were made during the year contri-

total, sales rose by 19 per cent to £118.64m (£99.78m). There was total extraordinary loss of of £3.79m (£2.09m), which also included £410,000 reorganisation costs and £303,000 acquisition costs. The net interest charge was \$1.86m (£635,000) and at the year end gearing steed at 70

A final dividend of 1.25p is recommended which will give an unchanged total of 2.25p. Earnings per share were haived to 2.41p (4.83p).

O COMMENT

This has been a tumultuous year for Walker Greenbank. The Alkar fiasco dominated the latter part of the year and consumed an inordinate amount of the management's time and effort. The repercusbuting £7.5m to turnover. In sions are still rumbling on,

although a decision about the troubled subsidiary's future is expected in the next few weeks. If remedial action is implemented effectively and the management can focus wholeheartedly on the group'e prospering concerns, then a reasonable recovery could be made. The wallcovering activi-ties appear to have a bright long-term future and the other operations also seem to have fair prospects, but overall there is an immense way to go. Pre-tax profit forecasts range from 28m to 211m which put Walker Greenbank on a prospective p/ e of between 9 and 125. This year the shares look dead money unless a predator takes a bite. Investors might want firmer evidence that the busi-ness has been righted before contemplating climbing

Property Co of London reversal into Lodge Care By Paul Cheeseright, Property Correspondent

PROPERTY COMPANY of London is expected soon to announce that it is reversing into Lodge Care, the USM quoted company which provides nursing and residential residential and the alders and the classic and the PROPERTY COMPANY of London is expected soon to announce that it is reversing into Lodge Care, the USM quoted company which provides nursing and residential care homes for the elderly and whose biggest shareholder is Mr Shiraz Kassam.

The merger, which would create a group with assets of about £25m, follows recent significant changes in the equity holdings of Lodge Care and a series of acquisitions at Property Company of London

Property Company of London after a team led by Mr Robert Baldock, the chairman, had assumed control.

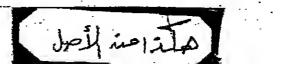
Mr Baldock and his board are likely to become the board are likely to be the

are likely to move into Ledge Care, bringing with them a series of companies dealing with leisure and golf through

The mergar will probably be carried out through a share exchange. It brings to an end a search on Mr Baldock's part for a wider asset base and greater inquidity.

Lodge Care has an asset value of £17m while that of Property Company of London is less than £10m.

On the market yesterday there was no hint of an imminent announcement as Property Company of London shares were unchanged at 255p while those of Lodge Care were 3p lower at 179p.



MARKET STATISTICS

Economic Diary

ports eround the country plan to meet in London to draw up plans for a national docks strike. Mr George Bush, President of the US, ie expected to meet Mr. Fran-cols Mitterand, President of

France, in Kennebunkport, Maine.
Greens party conference in Munster (until May 21).
TOMORROW: "An official Thaitrade delegation is expected to
leave for Hand." Mr. Yitzhak
Bhamir, Israeli Prime Minister.

Handen funtil May 231. Arab visits London (until May 23). Arab-toreign ministers meet in Casa-blanca.

MONDAY: Cyclical indicators for the UK economy (April). European Community education council meets in Bruesela. Start of meets in bruesels. Start of two-day meeting of European Community general affairs coun-cil in Brussels. European Parlia-ment in session in Strasbourg (until Mey 28).

ment in session in Strasbourg (until May 26).
TUESDAY: Manufacturers' stocks and distributors' stocks (first quartar-provisional). Building Societies monthly figures (April). Wr Yftzhak Shamir, Israell Prime Mnister, visits Spain (until May 26). British Airways results. Prison Officers Association annual conference in Southport. WEDMESDAY: New construction orders (March). New vehicle registrations (April). Ratall salas (April-provisional). Power workers due to start overtime ban over pay. TUC general council meets. President Mitterand le expected

M

Comb 1000 3 local In Care roday: Shop stewards from to visit Dakar for summit meeting ports eround the country plan to meet in London to draw up plans for a national docks strike. Mr meet to discuss Cambodia

THURSDAY: Energy, trend THURSDAY: Energy: trend (March). Balance of payment current account and overseat trade figures (April). US fin Guarter gross national product corporate profits. European Community juetice ministers holimormal meeting in San Sebastian (until May 27). First session of new congress of Peoples Deputies in Moscow. The Economic holds conference 1992. The single European market How European business is preparing an the implications for Japan in Tokyo.

Tokyo.

FRIDAY: Gross domestic product (output-based) (first quarter pre-liminary). Finished steel consumption and stock changes (first quarter-provisional). Engineering sales and orders, et current end constant prices (March). US first quarter balance of payments ligures, mnerchandise trade, personal income (April). Precident Bush pays visit to Italy (until May 29). Andean pact presidents (Bolivia, Columbia, Ecuador, Peru Venezuela) to discuss regiona integretion. Mrs. Margerei Thetcher, Prime Minister receives freedom of the City of

BANI	RETURN	3
BANKING DEPARTMENT	Wednesday May 17, 1989	decrease for west
LIABILITIES .	2	of galace
Capital	14,563,000	T
Public Deposits	106,393,930	+ 3,344,950
Bankers Deposits	1,284,063,643	- 131,695,558
Reserve and other Accounts	1,875,638,736	+ 46,261,761
	3,280,639,309	80,088,847
ASSETS .		
Sovernment Securities	944,423,719	14,455,000
dvance and other Accounts	696,400,645	- 228,740,718
Premises Equipment & other Secs _	1,628,623,676	+ 154,611,963
lotes	12,772,709	+ 8,480,062
Coln	218,360	+ 14,854
	3,260,639,309	60,088,847
SSUE DEPARTMENT	***	
LABILITIES	13	
lotes in circulation	14,457,227,291	+ 1,519,938
lotes in Banking Department	12,772,709	+ 8,480,062
	14,470,000,000	+ 10.000,000
SSETS	70	
Rovernment Debt	11,015,100	
Other Government Securities	13,701,446,851	+ 639,848,973
Other Securities	757,536,049	629,848,973
	14,470,000,000	

MUSEUMS AND ART **GALLERIES**

The Financial Times proposes to publish this survey on:

10th June 1988

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	FL 100	444	S.80	209	9.50		17.85	FL 99.50
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BASE	LENDING	RATES

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ry Ansbacher		Oprus Popular Bk	Provincial
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clates Cas Corp	12	Dences Lawrie	Resterate
vocity Bank	13	Egyptorial Starte pic 13	Royal Bk o
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t of Barota	13	Floracial & Gen. Bank 13	O Smith & W
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iser Bask AG	13	Harolang & Sharels 13	
Bk of Mid East		@ Lengeld Joseph & Sors 13	• Members

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13 Association. *Deposit now 5.9%
13 Samerise B.5%. Tay Tie-£10,000.
13 Instant access 12.1% \$ Mortgage.
213.75 base rate. § Demand deposit 8%.

hese indices a	re the	joint	comp	tation	of the	Fina	ncial	Times	, the	Insti	tute of	Actu	wies an	d ti	e Fac	culty o	f Act	uai
QUITY GROU	1			tay 19			Thu May	Wed May 17	Toe May	Year			Highs					
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gures in parentheses mber of stocks per se	show !	ndex No. C	Earn		P/E Ratio (Net)	rd adj. 1989 to date	Index No.	Index No.	Index No.	Index No.	HI	gh 19	89 Law] н		nce ilation	Low
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Mechanical Engineering					12.78	7.37 8.43	525.15 555.95		519.70	362.63 452.18	536.69 562.47	19/5		IД SД		14/10/87 9 /10/87		
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Motors (17)	122) 16	74.29		99 4.85	13.30	24.98	1654.88	1644.44	1628.54	1220.95	1674.29	19/5	1311.63	3/1	1736.80	22/9 /07	277.5	5 15
CONSUMER GROUP (2)	86)72	54.08		74 3.54		9.41	1233.40	1218.19	1297.88	1051.60	1254.08			Д		16/7 /87		
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Health and Household					18.47		2285.71					19/5		Ž.	2699.85	16/7 /87	175.3	0 2
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Packaging & Paper	(15) 5	79.66	+0.4 20.		12.55		577.18				687.36 3916.24	8 /2		Д		16/7 /87 5 /10/87		
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THOUSTRIAL GROUP (_	$\overline{}$	+1.5 9.		_						1177.70	19/5		Д_		16/7 /87		
Oll & Gas (13)			+0.5 10.		_	41.99		2022.52			2049.53	19/5		/8		16/7 /87	_	_
500 SHARE INDEX C				51 3.98			$\overline{}$				1252.24	19/5	~	1		16/7 /87 13/10/87	_	
FINANCIAL GROUP (+0.5 ~			14.74	756.11 754.01		754.40	679.11 644.76		0 /2		5 /1 5 /1		16/7 /87		
Insurance (Life) (8).	10	86.40	0.7	5.49			1079.12		1073.87	956.76	1121.53	23/3	933.96	īД	1285.72	9 /10/87	44.8	
Insurance (Life) (8) . Insurance (Composite Insurance (Brokers)	5 (7).	98.42	-0.2 -	5.75	I l		599.67	600.72		528.07		8 15		ıД		13/10/87		
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Merchant Banks (L1) Property (52)	hi	42.22	0.5 5.			6.77	1335.81	1335.14	1331.93	1217.14	1352.49		1198.13 3	71	1374.86	16/7 /07	56.0	
Other Financial (30.) 3	79.42	+0.5 9.		12.86	4.03			375.78		592.49	0 /2		3 /1		16/7 /07		
Investment Trusts (7	2)11	78.08		2.75		8.37		1170.38			1178.08	19/5		Д	1287.90	5 /10/87 3 /0 /87	71.1 66.3	
Mining Finance (2) Overseas Traders (8)		41.94		66 3.97 87 4.98		10.45	636.72	1390.40	643.72		686.92 1459.44	13/3		3 /1 5 /1	1447.77	7 /11/88	97.5	
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EIY	ED II	NTE	REST	-		1	VERAG	E GROS	S DC	П	FrI May	Thu	Year ago			1989	,	
			_			╂╼┑	British Go			_	19	18 18	(approx.)		High		Lg	YV
PRICE INDICES	Fri May 19	Change	May 18	rd adj.	xd adj. 1989 to date	1	Low Coupons		5 years 5 years		9.58 9.22	9.57 9.22	8.63 9.21			0/12 0/12	8.88	9
		-~	1 20	 -	LO BAC	Ή 3		2	5 years		9.05	9.05	9.03			0/4	8.73	
British Covernment	***			.1		6 el	Medium Coupons		5 years 5 years		9.66	10.70 9.65			9.82 1	3/4 3/4	9.96 9.21	8
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	133.79		133.7		-4.62		High		5 years		10.82	10.80				3/4 3/4	10.13 9.41	
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	134.73	1	134.27	1	1.36	1	inflation			5 yrs	3.66 2.99	3.58 2.78		3		/1 9/5	3.44 2.11	
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Debertures & Laws	115.02	-0,01	115.0	-	3.80	1	Leans		15 yez	rs	11.57	11.57	18.67	1	1.83	1/4	11.19	1
Preference	89.26	+0.09		 	2.05	17	Preferent		25 rez		11.13	11.13	10.71			5/4 0/12	10.66	
1			1	1	1					 								
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Rotherham. There's Nowhere More United.

The decision to move a company is never an easy one to make. It's almost as hard as deciding where to move to.

Of course you could simply do what over 300 other companies have already done. They moved to Rotherham, making it one of the most successful Development Areas in the country. And since an Enterprise Zone was added in 1983, we've developed almost 200 additional acres.

In that time we've created nearly 3,400 new jobs and housed them in 3 million sq. ft. of new buildings. But happily that still leaves plenty of attractive opportunities for a whole variety of new businesses, including offices and hotels.

Clearly, Rotherham has what it takes in the way of grants, communications and infrastructure. But what gives Rotherham its edge is its people.

There's a team spirit, a willingness to get things done that, well . . . gets things done. We can show you major construction work in Rotherham which has taken virtually half the time that would be required elsewhere.

So if you're considering moving offices, or even building offices, give us a call. Ring Keith Kettell on (0709) 372099 and ask

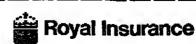
for the Rotherham Fact File. You'll find the people of Rotherham don't just work. They work together.



Royal Insurance

FIRST QUARTER RESULTS

- Pre-tax profit £44.7m (1988: £55.0m).
- Net assets per share increased from 444p to 457p.
- Total premium income increased by 14.6% to £1,141.7m.
- Investment income increased by 8.3% to £103.1m.
- Record pre-tax profits were achieved by Royal UK and Royal International together with an improvement in performance by Royal Reinsurance. In North America the Canadian result remained satisfactory but that for the USA was most disappointing. The life and related financial services earnings were depressed by the losses on the estate agency operations in the UK. However, the total pre-tax profit was in line with our expectations.



A full statement for the first quarter results for 1989 (of which the above is an extract) will be mailed to all shareholders, and is also available from Corporate Relations, Royal Insurance Holdings plc, I Cornhill, London EC3V3QR. Please send me a copy of Royal Insurance's first quarter statement.

Two S African gold mines threatened with closure

By Jim Jones in Johanneaburg

EAST RAND Proprietary Mines (ERPM) and Durban Deep, two gold mines managed by South Africa's Rand Mines group, are threatened with early closure unless the Gov-

early closure unless the Gov-ernment heeds appeals for financial assistance.

Both mines, and particularly ERPM, bave suffered large losses with the price weakness of gold. Neither has the option of exploiting ore which is sufficiently ricb to halt the losses. and management warned yes-terday that early closure was inevitable without state finan-

cial belp.

The Government is in a cleft stick. It is reluctant to support marginal mines but at the same time reluctant to lose gold output because of foreign debt obligations. Last year South Africa produced 19.9m oz of gold, which provided 38 per

cent of total exports.

During this year's first quarter, each of the 61,900oz ERPM produced cost the mine more than \$530 against an average price received of about \$372. Durhan Deep was relatively

better off. Each of its 48,60002 cost more than \$443 against an average income boosted by hedging transactions of \$412.

Since then, the gold price has weakened further, hedging opportunities are restricted, the mines are faced with hefty mid-year wage demands from black miners, and the rand has not depreciated sufficiently sgainst the dollar to protect revenues from deteriorating

dollar gold prices. ERPM has been plagued by financial problems since the early 1980s when it undertook early 1990s when it undertook a major expansion programme to exploit virgin ore in the southern part of its property. The expansion was expected to extend the mine's life well into the next century, but financing came adrift as sliding gold prices combined with cost overruns.

Two rights issues failed to provide sufficient development capital and the mine was forced into borrowing from commercial banks backed by state guarantees. At present, ERPM's accumulated debt is in

the region of R300m (\$69.7m) and analysts point out that debt repayments will prevent dividends from being resumed for several years, no matter what happens to the gold price. Durban Deep had planned a similar development but shied away when it saw what was happening to ERPM. It is now left with limited payable ore and no possibility of raising new capital from shareholders.

During the 1970s, several mines were kept afficat by the State Assistance Scheme, a form of negative taxation designed to tide marginal mines over temporary periods of gold price weakness. The scheme was terminated some years ago when high gold revenues persuaded the Government that unprofitable mines should be allowed to close.

However, more than a dozen mines producing more than a dozen mines producing more than one-fifth of the country's gold are unprofitable at present gold prices, and they too might call for government belp if it is granted to ERPM and Durhan Deep.

Pargesa plans to raise capital

PARGESA HOLDING, the Swiss-based parent of the financial and industrial group

PARGESA HOLDING, the Second, an issue of the registered and 60,000 by led by Mr Gerard Eskenazi of France and Mr Albert Frère of Belgium, plans to raise its equity base to almost SFr2bn (\$1.14bn) through a SFr340m

capital increase.

The new funds would enable the group to pursue its growtb and seize certain unspecified investment opportunities, Par-gesa said yesterday.

Since the beginning of the year, the bolding company has increased its stake in Bel-gium's Groupe Bruxelles Lambert to 30.5 per cent and sub-scribed to a capital increase by Parfinance, the French invest-

Pargesa's capital increass will comprise three parts: a 1-for-10 rights issue of 108,500 registered shares and the same

Second, an issue of 60,000 registered and 60,000 bearer shares to back a convertible bond to be issued by Pargesa Bank Corp, Luxembourg. Shareholders will have preference in subscribing to this five-year bond, which will be for an amount equivalent in Luxembourg francs to roughly SFr125m and carry a coupon of

around 7.5 per cent.

An advantage for shareholders is that it will be free of Swiss withholding tax while Pargesa will be able to use it

for swaps.

Third, 70,000 registered and 70,000 bearer shares will be issued as backing for an employee stock option plan. An issue of participation certificates was originally authorised as cover for the plan but Pargesa has since changed Its

mind about using certificates. For 1988 Pargesa Holding proposed a rise in dividend from SFr62 to SFr65 per share after reporting a 14 per cent increase in its net profit to

Net consolidated earnings reached SFr160m, up by only 0.4 per cent from 1987. This result included a loss of SFr32.6m, Pargesa's part of the \$166.7m loss reported by Drexel Burnham Lambert, the US

banking group.

Baer Holding, the parent of the Julius Baer banking group in Zurich, yesterday posted an 11 per cent increase in net profit to SFr28.1m for 1988. The board proposes to raise the div-Idend from SFr180 to SFr190 per bearer share, from SFr36 to SFr38 per registered share and from SF17.20 to SF17.60 per participation certificate.

Ferruzzi more than doubles profits

By Alan Friedman in Milan

FERRUZZI Agricola Finanziaria, Mr Raul Gardini's industrial bolding company that controls the Montedison chemicals and Eridania sugar and foods concerns, yesterday unveiled a more than doubled 1988 consolidated net profit of L301bn (\$217m) after minorl-

The Ferruzzi result includes the first ever line-by-line consolidation of Montedison despite the fact that FAF owns

prices

WEEKLY PRICE

CHANGES

only 45 per cent of Montedison. The company said the 1988 FAF consolidated group turn-over of L22,580bn includes a theoretical 100 per cent of Montedison revenues, or L14,122bn. The group turnover figure

does not, bowever, include any revenues from Standa, the department store chain owned by Montedison until last summer. Nor does the FAF balance sheet show any revenues from META, the financial services

\$455.5 354.9p \$3285 £1341

on week ago

Low 1989

\$365.75 327.45p \$1907.5

owned by Montedison for the first eight months of 1988. Also missing from the Fer ruzzi Agricola turnover figure for 1988 is L5,400bn of turnover from the group's trading activi

Mr Guido Negro of Ferruzzi said last night: "We did not consolidate the trading figures because that business fluctuates too much and would distort our results."

LONDON METAL EXCHANGE

2285-95 2110-6

um. 99.7% ourity (5 per tonne

Previous

2310-20 2125-30

Strong domestic demand lifts Toray

By Robert Thomson in Tokyo

TORAY INDUSTRIES, Japan's largest textile and fibre group, largest textile and fibre group, yesterday reported a 40.3 per cent increase in annual pre-tax profit to Y52.24bn (3389m) as a slight fall in fibre and textile sales was more than compensated for by stronger demand for plastics, chemicals and newly developed lines.

The company said income after tax would be only 6.4 per cent higher herause of write-

cent higher because of write-offs of investments in subsid-

This year it expects sales to remain at last year's level of

Yö53bn. As with most Japanese textile companies. Toray has been forced to overhaul its structure in the past three years because of the appreciation of the yen and competition from lower-priced products from South Korea and Taiwan.

But it has benefited in the past year from strong domes-tic demand for high quality

Sales of fibres and textiles fell 0.9 per cent, while sales of plastics rose 2.5 per cent, basically because of higher demand for engineering plas-tics in the antomotive and

electrical industries.

Chemical sales increased 6.2 per cent, and the company's new products and other businesses division reported an increase of 24.5 per cent in sales after significant growth in demand for carbon fibres

and artificial kidneys.

Meanwhile Wacoal, Japan's leading manufacturer of women's nuderwear, annoniced a 10 per cent increase in annual pre-tax profit to Y13.56bn after strong sales of foundation garments and higher quality underwear.

In its first year of a new reporting period, the company reported a 4.3 per cent year-to-year rise in foundation garment sales, and total sales of Y107.92bn. In the current year, sales are expected to rise year, sales are expected to rise 6.8 per cent, and pre-tax profit is forecast to rise 1.8 per cent. The company is planning to concentrate marketing in specialty shops in the coming year, and has plans to expand production of men'a wear.

Like Toray, the company bas long had production bases in South-East Asia which have softened the impact of currency finctuations.

Correction

Asea Brown Boveri PROFIT figures for Asea Brown Boveri in yesterday's edition were incorrect. Operating earnings for the first quarter amounted to \$229m and pre-tax profits were \$172m.

Veba pays DM1.3bn for FN stake By David Goodhart in Bonn

VEBA, the West German energy group, said yesterday it had paid DM1.3bn (\$684m) for its 46 per cent stake in the con-glomerate Feldmühle Nobel but stressed that it had no immediate plans to integrate

immediate plans to integrate fully the company.

The group, one of Germany's most acquisitive companies, will probably take two seats on the board. It is also probable that Mr Friedrich Christian Flick, who led a sharebolder group which sold 40 per cent of FN to Veba, will also have his wish granted for a seat on the board.

The Flick-Veba deal is seen by many analysts as a rare victory for shareholder power in Germany. The Flick group took a profit of shout DM150m on the deal and also realised their aim of injecting new manage-ment into FN.

ment into FN.

FN consists of three companies built up by Mr Friedrich Flick, grandfather of the Flick brothers, and floated off together by Deutsche Bank in 1985: Feldmühls, Germany's largest paper and board group. Dynamit Nobel, the chemicals, plastics and explosives group, and Buderus, the construction

and kitchen equipment manufacturer.

Both Mr Rudolf von Bennigsen-Foerder, the chairman of Veba, and Mr Heribert Blaschke, chairman of FN, said at a joint press conference yes-terday that the deal was a friendly one and that FN would retain much of its inde-

pendence. However, most analysts believe that Veba will take control of FN. FN last year reported a static profit of about DM150m on turnover np 5 per cent to DM7.9bn. About balf of those sales coms from the paper

husiness which is Veba's main interest. Loss-making Buderus and what remains of Dynamit Nobel after the chemical interests were sold (again to Veba) last year may well be sold off

by Veba.

Veba has now acquired a fifth leg to stand alongside its power generation, off, trading and chemicals businesses. It has been using its enormous cashflow to diversify into other - usually energy intensive -businesses. Veba's cash will be required to fund Feldmühle's enormous investment pro-

IXL stake on offer to Elders shareholders

By Gordon Cramb

AN 18 per cent stake in Elders IXL. Mr John Elliott's brewing. rural services and finance group, is to be offered to Elders

group, is to be offered to Elders sharebolders as a result of the unwinding of a complex set of cross-holdings.

The parcel on offer is valued at some A\$955.8m (US\$758.5m). It is being sold by AFP Group, Mr Basil Sellars investment company which controls have a speak as and hrands such as Spsedo and Gestetner, and by Goodman Fielder Wattie, the foods group which is engaged in a seesaw test of strength with Ranks Hovis McDougall of the UK. Petitio, a special purpose company owned jointly by AFP and Goodman, has agreed with

offered to Elders shareholders, in a ratio of about one-for-five and priced at A\$3.

Elders that the holding will be

and priced at A\$3.

Although the per share price is ex the 9.5 cent Elders interim dividend due in July, it is above the recent market level for Elders, which closed yesterday at A\$2.74, up 1 cent ahead of the news.

In return, Elders is to raise A\$138.6m by selling back to

A\$138.6m by selling back to AFP an 18 per cent cross-bold-ing which Mr Sellars' company will then cancel. This transac-tion is being made at A\$1.26. The sale of Petitio's 18 per cent stake will be underwritten by Harlin, another unquoted vehicls company through

which Mr Elliott and key executives control a similar proportion of Elders.

Harlin was set up to buy from Broken Hill Proprietary, Australia's largest company, the holding BHP had accumulated in Elders. BHP has A\$735m in Harlin preference shares following the unwinding of the stakes in BHP held by Elders and Mr Robert Holmes à Court after he ahan-Holmes à Court after he abandoned his attempts to take

over BHP.
Yesterday's arrangements
are thus subject to approval by
BHP as well as from Elders
shareholders.

For Goodman, Mr Duncan McDonald, managing director,

from RHM. Goodman this week sold its 29.9 per cent cross-hold-ing in the British group to Sir James Goldsmith, Mr Jacob Rotbschild and Mr Kerry

Packer. Elders said the disposal of the stake in AFP was "consist-ent with Elders' strategy of owning principally income earning assets."

Esso unit files complaint against Italy

By John Wyles in Rome

ESSO ITALIANA, the Italian subsidiary of the US multinational energy company, has lodged a formal legal com-plaint against lialy's Govern-ment alleging it is breaching its obligations under the law to

raise petrol prices.

Esso is seeking a declaration m its favour from the Lazio region's administrative tribu-nal. The company claims the Government's failure to raise petrol prices fully in line with legally imposed formula has already cost it more than

By Stefan Wagstyl in Tokyo

SUZUKI MOTOR, the Japanese

mini-car and motorcycle maker, suffered a 22 per cent fall in annual profits to Y15.8bn (\$112.9m) pre-tax, due to foreign exchange losses and the burden of funding increas-

ingly rapid model changes. Like other second-rank Japa-nese motor vehicle manufac-

turers, Suzuki is being

squeezed by its first-division rivals, which are able to

advance model changes more

rapidly and simultaneously

L1.5bn (\$1m) since April 17. Under a law passed in the early 1980s, the Government is supposed to adjust prices in line with an index produced by the Europsan Commission based on average prices in five other European countries. The index implied a L8 per

litre increase on April 17, which was not granted, another L18 later in the month, of which only L14 was conceded, and subsequently another L15.8, which has also been ignored.

Foreign exchange losses hit Suzuki

markets.

US MARKETS

markets, reports Drexel Burnh

IN THE METALS, gold and silver prices

fell agein on lack of fresh buying in the markets, reports Drexel Burnham

Lambert. Platinum trading was choppy

attack domestic and foreign

Reporting parent company results yesterday for the year to March, Suzuki said foreign

exchange losses totalled Y8bn.

resulting from the appreciation

of the yen. The company

It lost a further Y4.6bn on

However, after tax profits cent.

accelerated depreciation expects pre-tax profits of thanges due to model change. Y20bn, or 27 per cent higher.

583.8 582.7 572.7 582.0 581.8 601.5 591.2 811.3

COPPER 25,000 lbs; cents/lbs: ...

exports some 40 per cent of its

Esso says it has launched its action to protect its own interests "in the face of the repeated danger of political arbitrariness . . . at a time of particular volatility in the interestional market."

international market."

Earlier this month, the company announced that it would no longer base any medium-term or long-term investment dscisions on Italian government policy declarations, claiming they must be trans-lated into firm actions before they would be believed.

cycle sales were 13.8 per cent higher due to a recovery in a

depressed; car sales rose 3.9

on sales of Y850bh, up 4 per

602.5

654.0 572.0

602.5

For the current year, Suzuki

Deal signed on Nigerian liquefaction

By Steven Butler A \$2.5bn NIGERIAN natural

gas liquefaction project moved a step forward yesterday with the signing in Lagos of a joint venture agreement to form a company to implement the

The company, Nigeria LNG, is owned by the Nigerian National Petroleum Corporation (60 per cent), Shell Gas (20 per cent), Agip (10 per cent), and Elf (10 per cent).

The company is to build two gas liquefaction trains (sets of

equipment) which will produce about 4m tonnes of LNG annu-ally for sale to Europe and the US starting from 1995.

were up 44.6 per cent to Y8.6bn, due to a sharp fall in tax payments. Sales were up 7.5 per cent at 7817bn due to brisk sales at itome. Motorcycle sales were 13.8 per cent bicher due to a recovery in a line River State and market market which had been and arrange for shipping of the

gas. Shell Gas Nigeria, which has been technical leader of the project since its inception in 1985, will continue to provide technical and commercial

SOYABEANS 5.000 bu min; cents/80% bushel

Previous High/Low

734/0 717/0

Chicago

Close

WORLD COMMODITIES PRICES

Prices supplied by Amalgamated Metal Trading!

AM Official Kerb close Open Interest

Ring turnover 21,800 torkie

34,706 lots

Copper Grade A (cash) £1642.5 -57.5 Lead(cash) £412 +15	£1341 £1982.5 £1634.0 £362 £412 £337	Copper, Grade A (E per tonne)	Ring turnaver 35,175 tonne	as prices swaved around the	May 118.00 116.86 118.80 114.50	Aug 711/2 712/0 714/0 708/0
Lead(cash) £412 + 15 Nickel (cash) \$13000 -1250	\$16850 \$19350 \$13000	Cesh 1642-3 1668-70 1643/16 3 months 1637-8 1681-2 1543/16	36 1637-8 36 1635-7 1641-3 72,931 lots	unchanged level. Copper gained late in	Jun 158.00 116.70 115.50 115.50	Sep 693/4 693/0 -694/4 689/4
Zinc (cash) \$1685 +25	£846 \$2107.5 \$1570.5	Silver (US cents/fine ounce)	Ring turnover 0 azs	the day on local buying in the softs,	Jul 118.80 116.80 118.80 114.80	Nov 686/2 885/4 686/4 681/4
Tin (cash) \$10310 -140 Cocoa Futures (Jul) £738 +21	£3710 \$10760 \$7460 £951 £900 £715			heavy buy-stops lifted the cocos	Sep 118.00 118.00 117.00 113.00 Dec 114.50 113.20 114.20 111.10	Mar 702/4 703/0 704/0 701/4
Coffee Futures (Jul) £1229 +74	£1078 £1270 £1069	Cash 528-31 537-40 30 June 535-6 543-6	537-6 543-5 300 lots	 market es prices climbed over 75 		- May 711/0 710/2 711/0 708/0
Sugar (LDP Raw) \$306.6 -5.0	\$246 \$315.6 \$235.9 £100.60 £113.60 £100.95	Lead (£ per tonne)	Bling turnover 16,100 tonne	points, following a strong London	CRUDE OIL (Light) 42,000 US galls \$/barrel	SOYABEAN OIL 50,000 lbs; cents/ib.
Barley Futures (Sep) £103.00 -0.20 Wheat Futures (Jun) £116.40 -1.60	£100.60 £113.50 £100.95 £108.5 £121.65 £114.40	Cash 411-3 406-7 407		market. Speculative buying helped	Latest Previous High/Low	Close Previous High/Low
Cotton Outlook A Index 77.70c +0.15	67.05c 77.70c 61.35	3 months 366-7 394-5 398.5/3	407-9 91 394-5 398-8.5 10,252 lots	support coffee futures, while the sugar market was slow. The grains all ended	Jun 20.42 20.29 20.84 20.35	Maria America
Wool (645 Super) \$150 -5	650p 710p S15p	Nickel (5 per tonne)	Ring turnover 1,578 tonne	the week in non-eventful action, Local	Jul 18.83 18.80 19.18 18.80 Aug 15,24 18.18 18.40 18.20	
Rubber (Spot) 55.5p N/C Oil (Brent Blend) 517.925 -0,475	74.5p 64p 55.5p \$15.63 \$21.35 \$16.125	Cash 12950-3050 13230-300 12903	12850-900	traders made up most of the volume.	Aug 15,24 18.16 18.40 18.20 Sep 17.86 17.78 17.85 17.79 Oct 17.66 17.53 17.70 17.58	Aug 23.17 23.02 23.19 22.04
Per torne unless otherwise stated, fUnquoted, p-pence/kg,		3 months 12725-50 12925-60 12800/1	2650 12675-700 12725/50 7,728 tots	Expiration of the may contract took		800 23.41 23.30 28.42 23.13
Per latine ample destroise select (circlestes, popularity,	- Committee de la committee de	Zinc, Special High Grade (\$ per Ionne)	Ring turnover 8,050 tonne	place in quiet fashion and mid-west	Nov 17.52 17.36 17.52 17.40 Dec 17.34 17.21 17.36 17.25	20.00
		Cesh 1760-5 1750-5 1783/17	50 1750-2 50 1690-2 1875-85 11,016 total	rains were blamed for the overall	Jan 17.18 17.06 17.26 17.15	Jan 24.00 23.95 24.00 23.95
	CA E/tonne	3 months 1670-5 1660-5 1675/16		bearish tone. Orange julue lutures	Feb 17.20 16.96 17.20 17.10 Mer 16.96 18.87 17.05 18.96	24.35 24.50 24.44 24.30
Crude oil (per barrel FOB) + or -	Close Previous High/Low	Zipe (\$ per tonne)	Fling turnover 10,850 tonne	tumbled on strong trade selling and		SOYAMEAN MEAL 100 tons; \$/100
Jubal \$14.80-4.90v May	720 666 720 696	Cash 1680-70 1655-60 3 months 1510-5 1507-10 1515/15	1840-50 80 1590-5 1615-6 10,944 lots	elected commission house self-stops.	HEATING ONE 42,000 US galls, cents/US galls	Close Previous High/Low
Prent Blend 517.85-8.00g -0.175 Jul W.T.I. (1 pm est) \$20.40-0.45g +0.25	738 714 739 710	4 1101 10 10 10 10 10 10 10 10 10 10 10 1	1010-0 1010-0 10,004 1005	Cotton prices eased from commission house selling, in the livestocks, pork	Littest Previous High/Low	Mar. 040 0
N.T.I. (1 pm est) \$20.40-0.45q +0.25 Sep Oil products	760 729 759 730 . 804 775 804 774			belly prices advanced following the	Jun 4770 4766 4820 4720	dul 213.2 214.4 214.1 212.3
NWE prompt delivery per tonne CIF) + or - Mar	789 769 789 770			higher cash market and decilning	Jul 4005 4641 4710 4610	Aug 211.1 211.7 212.0 210.2
Premium Gasolino \$248-251 -1 May	793 775 792 780 610 790 805 793	POTATOES Clonne	LONDON BULLION MARKET	runs.live hogs gained from the	Aug 4705 4688 4749 4885	Oct 203.2 204.0 203.5 203.6
leavy Fuel Oil 588-90 +2		Close Previous High/Low	Gold (fine o≥) \$ price	declining runs and some evening up	Oct 4860 4823 4880 4825	Dec 202.1 201.7 202.0 200.5
taphtha 5178-180 +3 (CCO	over:9456 (9842) lots of 10 tonnes indicator prices (SDRs per tonne). Dally	Nov 96.0 96.0 96.0 96.0 .	Close 3651 ₂ -365 226-2261 ₂	shead of the weekend. Cattle futures	Nov 4905: 4888 4940 4890	201.6 201.0 201.5 201.0
price f	for May 18: 830.96 (907.96): 10 day average	Apr 174.4 167.0 175.0 169.0	Opening 367 2-368 227-227 12	were mixed. The energy complex	Dec 5005 4963 5020 4950 Feb 4650 4938 4950 4950	
	kay 19: 925.96 (926.01)	May 189.0 185.0 190.0 167.0	Morning fix 368.25 226.220 Afternoon fix 365.50 225.767	leatured technical trade buying keeping prices firm. News that OPEC	COCOA 10 tonnes \$/tonnes	MAIZE 5,000 bu min; cents/56tb bushel
Sold (per troy oz) \$355 \ -4\ COPPI	PEIL E/tonne	Turnover 425 (408) lots of 40 tonnes.	Day's high 367 /2-368	might raise the supply ceiling was		Close Previous High/Low
Platinum (per troy oz) \$498.50 -11.25	Close Previous High/Low	SOYAEEAN MEAL E/tonne	Day's low 385 4-365 4	noted.	Clase Previous High/Low	May 274/6 276/0 276/0 274/0
		Close Previous High/Low			Jul 1244 1165 1250 1183 Sep 1204 1140 1208 1158	Sep 251/4 260/4 262/0 261/0
Ausminium (free market) 52300 -75 May Copper (US Producer) 1255s-129c +1 Jly	1399 1485 1438 1250 1229 1225 1252 1226	Jun 151.00 152.00 151.00 Oct 146.50 146.60	Coins \$ price £ equivalent	•		. Oec 258/4 257/2 258/4 258/6
ead (US Producer) 36.5c +0.5 Sep	1170 1170 1194 1168	Oct 146.50 146.50	Maplelest 375-380 232-235		Mar 1200 - 1140 1205 1180	Mar 265/4 263/6 265/4 263/6
Rickel (free market) 580c -10 Nov In (European tree market) \$10010 +66 Jan	1140 1135 1155 1140 1140 1135 1160 1135	Turnaver 80 (65)lots of 20 tannes.	Sritaryile 375-360 232-235	New York	May 1204 1147 1173 1162 Sep 1245 1188 1200 1198	Jul 20040 00744 20070
in ¡Kuala Lumpur market} 27,10; Mer	1198 1125 1145 1120	PRESENT FUTURES STOrindex point	US Eagle 375-380 232-285 Angel 375-380 232-285		COFFEE "C" 37,500ibs; cents/ibs	WHEAT 5,000 bu min; cents/60lb-bushel
In (New York) 472,00c +2.75 May (Inc (US Prime Western) 853ac	1136 1125 1145 1136	Close Previous High/Low	Angel 375-390 232-235 Krugerrand 364-887 225-227	GOLD 100 troy CZ; \$/troy CZ.		
Turke	ver: 5322 (6055) lots of 5 tonnes	May 1700 1713 1713 1994	New Sov. 96-87 53-53 4	Close Previous High/Low	Close Previous High/Low	THE PARTY OF THE P
heep (dead weight)? 263 08p -8.99°	indicator prices (US cents per pound) for 18: Comp. dally 118.28 (118.70). 15 day	Jun 1543 1600 1580 1540 Jul 1425 1470 1469 1425	Old Sov. 86-67 53-53-4 Noble Plat 499.75-507,70 306.80-313,70	Mey 395.7 369.7 0 0	May 122.25 122.00 122.50 122.50 Juli 135.00 133.77 135.75 132.60	May 403/2 406/2 407/4 401/0 Jul 400/4 402/6 403/4 2001
	ge 115.22 (115.27)	Oct 1515 1552 1535 1515	THE PROPERTY OF THE PROPERTY OF	Jun 386.8 379.3 389.0 366.3 Jul 388.4 372.2 0 0	Sep 128.05 127.00 128.40 128.10	Sep 408/6 410/0 410/2 407/0
ondon daily sugar (rew) \$306.6u +1 SUGA	AR (5 per tonne)	Jen 1540 1574 1550 1540 Apr 1565 1804 1580 1570		Aug 369.9 373.9 372.5 369.0	Dec 124.11 122.83 124.30 123.00	Dec 420/4 423/2 423/0 420/0
Tate and Lyle export price \$302.0		Jul 1365 1366	Silver tis p/line oz US cts equiv	Oct 373.7 378.0 377.0 373.5 Dec 377.8 382.1 381.0 377.2	Mar 122.00 121.00 122.50 122.00 Jul 122.00 121.75 0 122.00	May 418/0 421/0 425/4
larley (English feed) £104.5w	Close Previous High/Low		Spot 831.15 596.70	Peb 381.5 386.3 0 0	Sep 120.00 120.00 0	LIVE CATTLE 40,000 lbs; centuribs
Malze (US No. 3 yellow) £133 Aug Mheat (US Oark Northern) £129,75u Oct	272.40 275.40 276.40 272.40 270.50 273.40 274.00 270.60	Turnover 641 (503)	3 months 341.80 549.80 8 months 362.50 562.65	Apr 365.4 390.0 367.0 387.0	SUGAR WORLD "11" 112,000 lbs; cents/lbs	
Dec.	271.00 272.00 270.00	GRAINS Effonne	12 months 374,15 \$88.75	Jun 389.5 394.8 392.0 389.5		WOTAUTH STORY
	261.20 263.20 263.00 260.00	Wheat Close Previous High/Low		PLATINUM 50 tray oz. \$/tray oz.		Jun 70.70 70.67 70.65 70.40 Aug 68.96 67.15
lubber (Jul) 🛡 63,50p May	260.00 262.00	May 115.40 115.50	LOUISIA COMPANIA COMPANIA	Close Previous High/Low		Sep 68.00 68.00 0 66.80
	Close Previous High/Low	Jun 116.40 118.50 119.70 116.60 Sep 105.15 105.25 165.25	LCHOON METAL EXCHANGE TRADED OPTIONS	Jul 500.2 502.7 505.0 497.0	Jan 11.49 11.78 0 0	Oct 69.47 69.55 69.60 69.95
coonut oil (Philippines) \$595z sim Oil (Melzysian) \$420	352.00 348.00 351.00 347.50	Nov 107.30 107.40 107.40 107.30	Aluminium (96.7%) Calls Puts	Oct 500.5 502.2 504.5 497.0	Mar 11,71 11.78 11.81 11.71	Feb 71.10 71.22 71.27 71.00
copra (Philippines)§ \$370	332.50 331.50 333.50 330.00 328.00 328.00	Jan 110.50 110.75 110.65 110.90	Strike price \$ tonne Jul Sep Jul Sep	Jan 802.2 803.7 507.0 499.0 Apr 505.6 506.7 0 0	Jul 71.63 11.82 0 0	Jun 71.87 71.87 71.30
cyabeans (US) £198 -1 Dec otton "A" Index 77.70c +0.20 Mar	310.50 317.50 318.50 315.06	Mar 113.50 113.75 113.55 113.50 May 116.65 118.90 118.80	1950 317 175 11 64		COTTON 50,000: cents/lbs	LINE HOGS 30,000 lb; cents/lbs
(coltops (64s Super) 615p May	314.50 314.50 314.50		2150 164 80 55 162	SELVER 5,000 trey oz; cents/troy oz.		/de-
Aug	314.50 313.50 315.00 313.50	Sarley Close Previous High/Low	2350 68 30 156 307	Close Previous High/Low	Close Previous High/Low	Close Previous High/Low
Oct	312.00 312.00	May 109.00 108.00 169.00 108.50 Sep 103.00 103.35 103.00	Copper (Orade A) Calls Puts	May 522.9 640.1 539.6 524.0	Jul 67.50 67.81 67.80 67.18	July 48.72 48.27 48.80 48.00
	wer: Raw 2162 (2627) lots of 50 tonnes.	Nov 106.00 106.35 106.40 106.00	2900 117 135 71 130	Jun 524.0 541,3 525,6 625,0	Oct 66.58 68.75 68.75 68.25	Aug 47.10 46 56 48.97 48.25
a torno unless otherwise stated, p-pence/kg. Turnov cents/lb. r-ringgit/kg. v-Jul. u-Jun/Jul. q-Jun.	TOTAL MARKET	ten 00 ten or ten or	2700 70 94 123 188			Oct 43.62 43.42 49.00 46.45
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cents/lb. r-ringgit/kg. v-Jul. u-km/.ful. q-Jun. Jun/Sep. w-Aug. z-May/Jun. tMeat. Commis- on average fatstock prices. change from a	1324 (2232). - White (FFr per tonne): Aug 2331, Oct 2215.	Mar 111.60 112.00	2530 39 63 190 252	Sep 598.3 556.2 561.5 687.6 Dec 561.1 569.4 564.0 550.0	May 59.45 69.18 69.30 69.05	45.50 46.86
cents/lb. r-ringgit/kg. v-Jul. u-Jum/Jul. q-Jun. Jun/Sep. w-Aug. z-May/Jun. fileat Commison average fastock prices. change from a parts on average fastock prices. change from a parts of the parts of t	1324 (2232).	Mar 111.60 112.00 May 113.00 113.05		Sep 538.3 555.2 551.5 687.5	May 59.45 69.18 69.30 69.05 Jul 69.48 69.10 69.50 69.10	Feb 47.00 46.90 47.20 46.90 Apr 44.75
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zents/lb. r-ringgit/tg. v-lul. u-luni/ull. q-luin. Jun/Sep. w-Aug. z-May/Jun. fillest Commis- on averago fassiock prices. change from a sek ago. \$\Perces\$ London physical market \$CIF Rot- rdam. \$\Phi\$ Suttlion market close. m-Malayalon ints/kg. Jun	1324 (2232). White IFFr per tonnel: Aug 2331, Oct 2215, 1760, Mar 2119, May 2114, Aug 2100. CAL S/tonne Close Previous High/Low 142.78 142.25 144.25 142.25	Mar 111.60 1:2.00 May 1:3.00 1:3.05 Turnover: Wheat 74 1:172), Barley 159 (32), Turnover lots of 100 tonnes. P105 (Cash Sottlement) p/kg Close Previous High/Low	2500 39 63 190 252	Sep 598.3 556.2 561.5 637.5 Den 551.1 599.4 564.0 550.0 Lan 555.0 573.7 0 0	May \$9.45 99.18 99.30 69.05 Jul \$9.45 99.10 89.50 89.10 Oct \$9.00 89.10 69.00 \$8.00 ORANGE JUICE 15,000 fbs; centa/fbs Close Previous High/Low	Feb 47:00 46:30 47:20 48:30 Apr 44.75 44:67 44:85 44:60 Apr 47:50 47:77 47:65 47:60 PORK SELUEZ 40,000 (be: cents/lb Close Previous Pagh/Low
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Japan's leading brokers show big profit gains

By Stefan Wagstyl in Tokyo

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THE BIG FOUR Japanese securities houses yesterday posted large gains in half-year. profits due to strong turnover and rising prices in the Tokyo equity market and a surge in new stock issues

The parent company results for the six months to March for the six months to March show the brokers' profits are running at about the sams level as in the record year to September 1987, just before the plunge in world markets. The results highlight the sharp

recovery made in the securities industry in Tokyo in contrast to London and New York.

Aside from the overall increase in equity broking, trading and underwriting activity, all four companies benefited from a surge in benefited from a surge in issues in the warrant bond market. Revenues from broking and trading bonds were generally down because of a decline in interest in bond investment caused by the rise in world interest rates and the fall in the yen against the US

Nomura Securities, the world's largest securities company, remained far ahead of the other three large Japanese bouses in terms of revenues.

Nikko recorded revenues of Y282.1br (up 24 per cent on an arrows)

However, Daiwa Securities, the number two firm, cut into cent) and Nomura's lead by posting record results through big a big turgains in trading, especially in account.

warrants. Nikko Securities: the third largest, made a sharp recovery, after almost losing its lead in profits last year over fourth-placed Yamaichi Securities due to heavy losses in bond trading. The brokers are changing their year-end from September to March.

Nomura made profits of Y246.6bn (\$1.8bn) before tax and extraordinary items, an increase of 21.8 per cent on an annualised basis. Net income was Y104.0bn, up 9.8 per cent. Operating revenues were Y501.6hn (ahead 18.6 per cent), Y501.6hn (ahead 18.6 per cent), of which Y190.8hn came from broking equities, Y40.5hn from broking bonds, Y84.8hn from trading and the rest from underwriting, distribution and other areas, increases in underwriting and trading profits were northylarly strong.

writing and trading profits were particularly strong.

Daiwa had operating revenues of Y315.1hn, 19.6 per cent higher on an annualised basis, pre-tax profits of Y156.1hn (up 39 per cent) and net profits of Y65.5hn (up 13.8 per cent). The company said an increase in trading profits, including warrant trading made an impor-

Nikko recorded revenues of Y282.1bn (up 24 per cent on an annualised basis) and profits of Y143.0bn pre-tax (up 69 per cent) and Y51.6bn net (28.6 per cent higher). The company saw

Wella falls short of target

casts, AP-DJ reports.
Group net income advanced to DM70.4m (\$37m) from DM67.6m, and sales rose by 13 per cent to DM2.2bn from DM1.96bn. Wella proposes to pay an unchanged 1988 dividend of DM9 for each

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REPUBLIC OF ITALY MCU 300,000,000 Pleating Mate Mate

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- BANQUE GENERALE DU LUXEM-BOURG S.A., in Luxembourg GANQUE GENERALE DU LUXEM-BOURG (SUISSE) S.A., in Zurich BANQUE BELGE, in London GENERALE BANK, in Brussels GENERALE BANK, in New York COMPAGNIE LUXEMBOURGEGISE DE LA DRESDINER BANK AG, in Luxembourgegiste

EDUCATIONAL

WELLA, the West German hair care concern, lifted 1988 net income by 4 per cent but fell short of its earlier growth forecasts, AP-DJ reports.

non-voting preferred share.

Last summer, Mr Karl Heinz; Krutzki; chairman, had promised a dividend increase of DM: a share if the company pmr a share if the company reached its target of 10 per cent net income growth. In November, the company revealed a slowdown in earnings growth because of high financing costs related to the purchase of Parfums Rochas of France in 1987.

COMPANY NOTICES LEGAL NOTICES M THE HOST COURT OF JUSTICE

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Pursuant to clause 6 of the serms and conditions of the poses, neitles is beenly given that the Republic of this has secured to properly the outstanding notes on the pact Interest payment does talling on the conditions. read on the city day of May 1966 presented to her Melenty's High Coart of Justice to the positrustion of the reduction of the Sterry President Account of the above-numed Ves-ture Plant Group Pic The notes will be prepaid at their principal amount and will couse to bear interest as from June 30, 1989.

AND NOTICE IS FURTHER GIVEN that the

ANY Creditor or Stareholder of the said Company dealing to oppose the making of an Order for the continuation of the pro-posed reduction of the Share Premites Account should appear at the time of fuering in parson or by Counsel to, that purpose,

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar up despite intervention

The dollar opened in London

on a slightly softer note, fol-lowing dollar sales by the Bank of Japan in Tokyo. However a

smaller than expected rise of

2.5 per cent in Japanese whole-

sale prices in April (swollen by the effects of a 3 per cent sales tax, which came into force on

RENEWED CENTRAL bank deter further demand for the intervention was only partly dollar, and by early afternoon successful in controlling the dollar's rise in currency mar-was touching DM1.9750.

the figure had been widely leaked before the official announcement. A rise to £4.6bn in April bank lending was also dollar's rise in currency mar-kets yesterday. The US Federal Reserve was joined by the Bank of Canada and nine European central banks in selling the dollar against the yen and D-Mark at around Y138.60 and DM1.9660.

However, the US unit showed a small recovery towards the close of business, and this prompted a further round of intervention from the Fed at Y138.70 and DM1.9700.

The dollar closed at DM1.9695 from DM1.9695 and Y138.75 from Y138.65. Elsewhere, it finished at SFr1.7875 from SFr1.7870 and FFr6.6700. On Bank of England figures, the Bank of England figures, the dollar's exchange rate index slipped to 71.1 from 71.3. In New York, the Fed's second round of intervention failed to

£ IN NEW YORK Close May 19

		May 19	Previous
8.30 att 9.00 am 10.00 am 11.00 am 11.00 pm 2.00 oto 3.00 pm 4.00 pm		945 945 945 945 945 945	943 943 942 943 944 944 944
CUR		CY RA	TES .
CUR May 19	REN Sant ratz	CY RA' Spesial* Deaving Rights	
May 19 Sterling	Bank ratz %	Special* Drawing (Hights 0.777957 1.25585	Earopean Carrency Unit. 0.653155 1.05779
May 19	Back	Special* Drawing Rights 0.777957	Earopean Carrency Unit.

Shirst Frank 4.5 Greek Drack 2016 Irish Plank	2.20728 209.947 0.929982	1.85747 176.962 0.778470
CURRENCY		MENTS
May. 19	Bank of England tudes	Morgan ^{es} Exeracty Changes %
Sterling U.S. Sovier Consider Doller Austrian Schilling Belgian Franc Deutsche Mark Sovier Deutsche Mark Franc Franc Franc Franc Franc Franc Franc	94.5 71.1 104.0 106.3 105.3 102.2 111.8 102.6 109.5 98.7	-16.8 -6.8 -6.2 -9.8 -6.4 -2.3 -19.9 -11.5 -12.7 -15.6

College	97.6	+12.7 +15.6 -19.9 +74.5
1985 100	Bank of England ! Rates are for Bay !	
May 19	RCURRE	S
Argentica Australia Brazil Finland Greece Hong Kong	Z/4.95 - Z/5.30 2.1195 - 2.1205 1.3060 - 1.7965 7.0605 - 7.0890 268.65 - Z/3.15 12.5905 - 1Z.6035	169.90 - 176.00 1.5100 - 1.3110 1.1100 - 1.1150 4.3730 - 4.3750 165.75 - 168.45 7.7860 - 7.7890

May.19	- 2	. 5						
Argestica	2/4.95-2/5.30	169.90 - 170.00						
Bearlin	21195-21205 18060-1.7965	1 1100 - 1 1150						
Figured	7.0685 - 7.0890	4.3730 - 4.3750						
Hong Kong	268.65 - 273.15 12.5905 - 12.6035	165.75-168.45 7.7860-7.7890						
tran	119.20° 1075.40 - 1084.05	72.48° 664.00-669.40						
KoreaCSt20	0.47585 - 0.47775	0.29430-0.29460						
. Majarda	4.1415-4.3525	2.6840 - 2.6880						
Mexico	3977.05 - 3981.05	2-58.00 - 2459.00						
N. Zentand	2.6820 · 2.6870	3.7500 - 3.7510						
Spendore	3.1765-3.1835 4.3765-4.3875	1.9600 - 1.9640 2.7055 - 2.7085						
S. AS (Fil)	6.3710 - 6.4985	3,9370 -4,0360						
DAE	5,9380 - 5,9500	3,6725 - 3,6735						
direct name	Selling rate							

	Selling rate								
		ARE ST S							
	Spot	1 mile	3 mtts	orchs.	12				
US Dollar D-mark French Fr. Swiss Fr. Yen	1.6190 3.1875 10.798 2.8450 224.75	1.6153 3.1719 10.763 2.8330 223.29	1.60-9 3.1423 10.694 2.8083 220.47	1.5945 3.1022 10.600 2.774 216.53	1.574 3.034 10.44 2.710 209.7				

	Spot	1 mil	mus.	enths.	12
US Dollar	1 6190	16153	1.6069	1.5945	1574
French Fr.	10,798	10,763	10.67	10.600	10.4
Switz Fr.	23,75	223.29	220.47	21/20	209.

MONEY MARKETS UK rates steadier

A RISE in UK inflation rate failed to have any effect on domestic interest rates in London vesterday. Traders are convinced that the authorities are reluctant to sanction a move in bank base rates from the current 13 per cent level, and the ksy three-month interbank rate was unchanged at 12%-12H per cent. Weekend money touched a high of 12% per cent although late balances were taken down to 9 per cent.

UK clearing bank base lending rate 13 per cent from Hevenber 25

However, the average rate of discount at the weekly tender on 91-day Treasury bills edged up to 12.411 per cent from 12.2451 per cent. Apart from the £500m of 91-day bills on offer, which was a repeat of last week's offering, the Bank of England offered for the first time a tender on £100m of 182-

day Treasury bills.
The Bank forecast a shortage of around £500m. Factors affecting the market included a rise in the note circulation of £440m, and Exchequer transactions which drained a net 270m. Bills maturing in official hands and a take up of Treasury bills, together with repayment of any late assistance were broadly in balance, while banks' balances were brought forward £10m above target. The forecast was revised to a shortage of £450m but there was no intervention by the

Thursday of 94.4. Against the dollar, sterling closed at \$1.6190 from \$1.6185, and in D-Mark terms rose to DM3.1875 from DM3.1825. It was also higher against the yen at Y224.75 from Y224.50. Elsewhere, it finished at FFr10.7975 from FFr10.7625 and SFr2.8450, unchanged from

announcement. A rise to £4.6bn

in April bank lending was also

The pound's exchange rate index closed at 94.5, unchanged from the opening and barely changed from the close on

ignored.

April 1) reduced speculation that the Bank of Japan might sanction an early increase in its discount rate. This helped the dollar to recover slowly, so that by midday in London it had recovered all of the scaling Thursday. The Italian lira was confined had recovered all of its earlier to a narrow range, and showed little reaction to news that Mr Sterling showed little reaction to key data on inflation and money supply released yesterday. The retail price Ciriaco de Mita had resigned as Italisn Prime Minister. The dollar closed at L1435 from L1432 while the D-Mark fin-ished at L728.61 compared with index rose to 8 per cent on a year-on-year basis. This was above earlier expectations, but L728.20 on Thursday.

May 19	Cay's	Close	One morth	22	and the	, i
UK!	16150-16230	1 6185 - 1 6195 1 3570 - 1 3580	0.39-0.36cpm 0.15-0.20cms 0.26-0.30css	2.78	1 23-1 190	g 2
reland;	1.2560 - 1.3610	1.3570 - 1.3580	0.15-0.20mms	-155	0.23-0.35 0.71-0.77	is -0.
طحم	1.3560 - 1.3610 1.1870 - 1.1925 2.2155 - 2.2215	11910 · 11920 22190 - 22200	0.26-0.30csss	-2.82	0.71-0.736	15 -2
detherland .	22155-22215	2.2190-2.2200	1 0.50-0.48com 1	266	1.32-1.250	D 2
Belgi##	41.10-41.30	41.20-41.30	6 00-4.50c×n	153	24 00-11.000	ft 1
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taly	1438 4 - 1436	14344 - 14354	2.50-3.00limests 0.50-0.75oredes	-230	7.50-8.10	B -2
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May 19		3	DM	Yes	F Fr.	S Fr.	H FL	Ura	C \$	B Fr.
. \$	0.618	LA19	3.188 1.969	224.8 138.9	10.60	2.845 1.757	3.593 2.219	2323 1435	1.927 1.190	66.80 41.26
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EURO-CURRENCY INTEREST RATES

Six Months

Year

		-					-				
	. £	0.618	LA19	3.188 1.969	224.8 138.9	10.80 6.671	2.845 1.757	3.593 2.219	2323 1435	1.927 1.190	66.80 41.26
	DM YEN .	0.314 4.448	0.508 7.202	14.18	70.51 1000.	3.388 48.04	0.892 12.66	1127	728.7 10334	0.664 8.572	20.95 297.2
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	H FL. Ura	0.278	0.451 0.647	0.887 1.372	62.57 %.77	3.006 4.649	0.792 1.225	1547	646.5 1000.	0.536 0.830	28.59 28.76
	CS B Fr.	0.519 1.497	0.840	1464	1167	5 605 16.17	126	號	1206 3478	2.885	34.67 100.
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FT LONDON INTERBANK FIXING CILOD a.m. Mar 190 3 months IS tollars 6 months BS Bollars The fixing rates are the arithmetic seems rounded to the mearest con-structure, of the bid and offered rates for \$10 m unded by the namest to five reference basis at \$1.00 a.m. each working say. The basis are stratumal Westminster Stark, Stark of Tolop, General Rate and as Paris and Morgan Startonay First.

	#	IONEY	RAT	ES		
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(Lunchtime) Prime rate Broker four rate Fed funds Fed funds at lotervestion	. 114	One month I sto month Three seconds Six pronth One year Two year		8.15 Four: 8.55 Fire: 8.82 Seven 8.85 10-ye		8.83 6.81 0.74
May 19	Oversight.	Gae Mooth	7wc Months	Three Secrets	Six Months	Lombard Intervention
Frankfert Parts Zurich Anssterdam Zoigo Millan Bnesels Dobits	6.15-6.25 64-74 637-659 44-454 124-124 74-74	6,78-6,80 8% 84 74-75 7,07-717 12-125 81-84 81-9	630-690 84-89 92-94	6.957.10 81.83 71.73 726-736 123-124 84.63 95.45	7.05-7.20 82-74 91-10	550 752 - - -

LONDON MONEY RATES										
May.19	Overnight	7 days notice	One Month	Three Months	Six Months	Que Year				
merbank Offer	12%	12,5	125 121 125 127	1277	1212	12 12 12 12				
nterbank Sid		-	15.3	15%	15%	12%				
ocal Authority Deps	12	12.5	12%	124	12/3	126				
ocal Authority Boods		•		_						
Iscount Mkt Deps	12	124	12,3	NAME OF THE PARTY	1 • !	-				
ompany Deposits		-	12.3	1215	證	12				
inance House Deposits.	- 1		12 12	323	124	12				
reasury Sillis (Buy)	- 1		123	159	1	-				
and Bills (Bay)		-	1213	124	1 156 1	•				
Ine Trade Bills (Buy)	- 1	-	23	6.3	62	9.5				
ollar COs	- 1	-	7.50	9.00	75	7.7.				
DR Linked Dep Offer			87	27	82)	20				
OR Linked Dep Bit			122222200 P 122	813	126 126 65 85 85 9	ěi.				
CU Linked Dep Sid	-		84	O CO CO CO	87	914				

LIFFE EXPOSELLAR OPTIONS The points of 100% LIFFE SHORT STERLING LIFFE E/S OFFICHS 525,000 (costs per EL) 1175 615 270 66 8 Estimated vo Previous day LONDON (LIFFE) Estimated Volume 19647 (12740) Previous day's open Inc. 25940 (25440) 7-10 YEAR 9% NUTTOHAL ENT 150,000 32nds of 100% **CHICAGO** US TREASURY BUNDS 8% \$200,000 32ms of 100% Estimated Volume 14159 (20055) Previous day's open int. 46831 (44022) 91.69 92.06 92.09 92.33 92.33 Estimated Volume 359 (363) Previous day's open int. 944 (936) STANDARO & POORS 500 INDEX SWESS FRANC COMO SFr 125,000 S per SFr THREE MONTH STEPLING 6500,000 points of 100% 1-mth. 3-mth. 6-mth. 12-mth. 1.6153 1.6069 1.5945 1.5747

FT GUIDE TO WORLD CURRENCIES **Every Tuesday** in the FT

LONDON TRADED OPTIONS

tracts, and the puts in the corre-

sponding series 1,030. A teature of trading in Steel was that it was contained in only 52 bargeins, st

BRITISH STEEL commended most business among individual stocks on the London Tradsd Options Market yesterday, as overall business on the market reached the relatively high emount by recent total that might heve sxcited much ettention a few weeks ago, but it is one that stends out against the standards of the last

Est. Vol. finc. Figs. not shown) 7051 (19259) Previous stay's open Int. 64814 (63187)

Estimated Volume 2963 (7240) Previous day's open Inc. 13102 (11969)

Estimated Volume 4319 (3423) Previous day's open Inc. 21129 (21180)

Close Niek Low Prts. 222_10 222_70 220.00 220.30 225_50 226_70 224.00 224.45

FT-SE 180 TKDEX C25 per fall leaden pathal

few days. The overell turnover was mads up of 32,488 call contracts and 15,302 put.

Turnover in British Sleef amounted to 3.624 contracts, of ich 2,469 were call and 1,155 put, as the underlying price of the share geined 2p to 92p. The July 80 calls alone ettracted 1,441 con-Jul Oct Jan Jul Oct Jan

260 30 35 40 24 280 14½ 21½ 27 6½ 300 6 11½ 16 19

900 95 125 137 6 12 950 55 85 100 17 27 1000 25 55 67 42 50

68 75 93 27 44 56 8 19 30

1.1.1.

Samsburg 1*242 1

recent upward run in the

650 80 95 115 700 47 65 85 750 22 38 57

en sverage size of 69.8 contracts. At least one major house took a buillsh view of the slock, by buy-Ing calls and selling puts.

Racal Electronics continued to command attention both on the underlying merkel, on which it gained 14p on the day to 505p, and in options treding, in which it ettracted 2,137 contracts, comprised in 1,094 calls and 1,043 options business was reported.

The underlying price of the stock was up 14p to 506p, maintaining the recent upward run in the

Trading in the FT-SE 100 Index smounted to 11,011 contracts. made up of 5,888 calls end 5,123 puts, as the Index itself egain gained new post-Great Crash of October 1987 highe lo end at 2,204.7.

The Slock Exchange Account opening on Monday is e two-week account, covering the late spring bank holiday. It was incorrectly said to be a threewesk eccount in yeslerday's

share price. The sverage bargain

size in the etock, however, stood in stark contrast to that in British

Steel, amounting to an average of

19.2 contracts, on the back of 111

420 52 68 79 3 9 12 460 21 60 53 14 22 26 500 5 21 33 40 44 47 30 36 39 3 4 44₂ 15 22 25 74₂ 9 10 6 10 13 19 22 23 FT-SE INDEX (* 2199) May Jun Jai Aug May Jun

WORLD STOCK MARKETS

	AUSTRIA FRANCE (continued)	GERMANY (continued) TTALY (continued) SWEBER Krusts + 0' May 19 Krusts + 0'
May 19 USS + or May 19 USS + er May 19 USS + e	May 19 Sch + or - May 19 Frs. + or -	May 19 Dec. + 97 RAS (28.600 + 400 AGA B Gree) 600 3 3 3 3 3 3
AVX Corp 212 +1 Crare 254 +1 Johnson 8. 315 -1207 +1 Perint Elmer 254 +1 Unsys Corp. 2 Activate Library 104 +1 Crare Research 497 +1 Winted Brands 1 Activate Circlestand 104 +1 Crown Cort 48	1 12 Reintrofisors	Section Sect
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Alexander & Al 25 25 41 Data Sen 1874 42 Kmg World Profits 25 h 1 1874 18	Banque Gen. Du. Lizz 14,400 Coriff 355 43 Banque Gen. Du. Lizz 14,400 Cocif 350 415 45 Banque Ran Belg 37,075 50 Coperes 350 410 Belgaret B 1, 14,400 1-75 Coperes 5 154 174 Belgaret B 1, 14,400 1-75 Coperes 5 154 174	Constitute Dende 1315 1712 Allen's
Amar 2007 11 Detroit Edison 20 +4 Legent 6 Platt 2009 12 Prob Roberts 44 Valero Energy 1 Americal Nets 39 4 +4 Detail 45 +4 Legent 6 Platt 270 +7 Promier Ind. 27 4 Valero Energy 1 Detail 10 Detail 10 Platt 10 Promier Ind. 27 4 Valero Energy 1 Valero Ener	75 [-0.12 Courty, [15,875] [East (Cle Get) (1,782]+33	Fair Rogeriticists 349.8 -11.7 Bold Laces 139.70 40.2 SWITZERLANDS
Am Express 33-9 Am Family 17 Am Gen Corp 35-9 Am Home Prod 95-9 Am Home	Do. AFV 2 4870 +20 EM-Aquitaine 501 +10 Do. Carts 391 +2	Heritit Pref. 260 Fokter 41.30 H-0.3 Box Pts 325 H-1 Horitite 775 Hocklef 775 Hocklef 34.30 H-0.3 Brown Bowerd 34.50 H-0.3
Am National Insect. 3512 Am Petrol Ina	54 +4 Do. AFV 1,038 -10 From 215 -0 -18 -2 Generale Bank 5,650 -150 Frontier Lython 472 -6	Hortes
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Avery international 25% +5 Federal Model 33.4 +5 Fed Nat Mort 81. +6 Marie Energy 7% -18 Royal Dutch 63% +5 Worthington Ind 88.4 +6 Fed Paper Brd 25% -8 Worthington Ind 88.4 +6 Worthington Ind 88.4	27	Nizabri
Balmoo Corp	Tractele 9,430 -10 De. AFV 1 9,410 +50 De. AFV 2 9,420 +110 De. AFV 3 9,420 +70 Merila-Gerta 4,344 +5 Michel lo 8 200 -0 Merila-Gerta 200 -0 Merila-Gerta 14,344 +5 Michel lo 8 200 -0 Merila-Gerta 14	Recording
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المكذامة لأصل

WORLD STOCK MARKETS

Surge by dollar pulls Dow and bonds higher

Wall Street

REBUFFING another round of concerted central bank inter-vention, the dollar continued climh yesterday, briskly pulling US bond and equity markets along with it, writes Roderick Oram in New York From its close in New York

on Thursday, the US currency gained about 0.7 pfg to DM1.9745 and Y0.4 to Y139 by early afternoon. Its strength helped attract more foreign investors into US bond and equity markets, traders reported.
The price of the Treasury's

benchmark long bond rose about two-thirds of a point to benchmark long bond rose of two to one. pay any other about two-thirds of a point to 101st, shaving its yield to 8.71 the markets, Merrill Lynch Phelps Dodg

Stocks, responding to lower

interest rates and foreign buy-ing, powered ahead. The Dow Jones Industrial Average rose more than 30 points during the morning to top the 2,500 level but gave up some ground later. At 2 pm it was up 18.88 points at 2,489.00.

Broader market indices mir-rored the Dow, as trading volume remained moderately heavy during the morning. By early afternoon, 155m shares had changed hands on the New York Stock Exchange, with advancing issues outnumbering those declining by a ratio

per cent, its lowest level since advised clients to switch port-late-January. advised clients to switch port-folios to 55 per cent bonds and 45 per cent stocks from 45 per cent bonds, 49 per cent stocks and 15 per cent cash.

Avon Products was the most active stock for the second day running, with more than 3.2m shares changing hands by early afternoon. It fell \$1/4 to \$32% after plunging \$7% on Thursday following Amway's withdrawal of its \$39-a-share takeover offer.

·Avon's management said yesterday that the company would not buy back the 10.3 per cent stake in it held by Amway and Mr Irwin Jacobs, the Minneapolis investor, or pay any other form of green-Phelps Dodge added \$% to

FFr231.80 on turnover of about

Activity in Cie du Midi, the

insurer, provoked an outcry on

the options market, where dealers stopped trading for an hour in protest at a block sale

of 40,000 shares in the stock

which they wanted investi-gated. Midi dropped FFr55 to

FFr1.360 and was suspended

from trading. On return to

trading, it recouped most of

the lost ground to end at

MILAN rose off its lows before news after the close that

Prime Minister Ciriaco De Mita

had announced his resignation.

After a weak opening, the mar-ket was encouraged by specula-tion that the Prime Minister

was about to stand down, thereby removing the political

uncertainty that bas been

hanging over trading.
One analyst said that the

announcement had been expec-

ted and that the only surpris-

ing element, perhaps, was the rapidity with which it had hap-

FF11.405.

copper miner is the subject of repeated speculation that it will become a takeover target or recapitalise to pay a hig spe-

cial dividend. Some analysts pointed out, however, that Phelps Dodge was an unlikely candidate for a bid it is riding high on the current boom in the copper financial data. market and its results are likely to suffer in coming

BankAmerica goined \$% to \$25% A leading analyst recom-mended purchasing stock in the San Francisco bank holding company because of its improved financial perfor-

Goodyear Tire and Rubber

\$61 following a \$1% gain on Thursday. The Phoenix-based azine reports that the break-up value of the company was \$75 a share and was worth even more to a foreign huyer.

Prime Computer fell a fur-ther \$% to \$15%. It said MAI Basic Four, headed by Mr Bennett LeBow, a raider, would not sign a confidentiality agreement before seeing its

Canada

AN EXPECTED rise of 0.3 per cent in the Canadian consumer price index in April had little effect on Toronto, which held on to small gains at midsession in quiet trading. The composite ex rose 1.4 to 3,677.8 on vol-

The Comit index closed 2 lower at 601.78 - a drop of 0.26 per cent on the previous week in light turnover estimated

AMSTERDAM ended a quiet day in steady fashion, sop-ported by a firm opening on Wall Street. The CBS tendency index rose 0.4 to 177.3 – a fall for the week of 0.8 per cent.

In the insurance sector, Aegon and Amev, both trading ex a Fl 3.20 dividend, fell Fl 1.80 to F197.80 and rose F1 1.10 to F1 49.80 respectively. Amey reported improved first quarter profits on Thursday.

MADRID put in another healtby performance, as the

lower than expected domestic inflation rate for last month inspired buying, sending the general index to another high for the year. The index rose 0.85 to 306.24

for a week's gain of 1 per cent. Share prices bave jumped by 3

strong, although voluma demand for blue chips and gained ground for the second

consecutive session. The Crédit Suisse index gained 1.8 to 558.8, but registered a loss on the week of 2.8 points. Chemicals saw further gains,

with Ciba-Geigy bearers recouping a SFr50 dividend to close unchanged at SFr3,630.

OSLO reached its third consecutive record high, with the all-share index rising 2.10 to 505.80, for a robust 2.9 per cent

rise on the week.
BRUSSELS climbed to its fourth consecutive record as investors continued to buy selected stocks before forth-coming dividend payments. The cash market index closed at 6,079.02, a 1,2 per cent increase on the week STOCKHOLM closed at a

fourth all-time high in a row in fairly active trading. The Affärsvärlden General index rose 6.3 points to 1,164.7. HELSINKI advanced in moderate trade. The Unitas all-

ahare index rose 4.1 to 803.8.

SOUTH AFRICA

THE WEEK in Johannesburg ended nervously, with the market continuing its recent slide - led by falling gold shares - amid heightened bearish sentiment as the bullion price fell to almost \$365.

In golds, Randfontein lost R12 to R190 and Driefontein shed R1.25 to R37.

Imported inflation fears bait West German bears

Haig Simonian explains why Frankfurt is flagging

FT-A World Indices in £ terms

W.Germany

World Dec,31 1986 - 100 Ave. 1985 - 100

132 FT-A World Index 2 . 99

Sterling Index

Source : Back of England

ket? Hardly. The danger of imported inflation, which

could push Germany's annual

rate of price rises beyond the Bundesbank's 3 per cent fore-

cast this year, and the likeli-

hood of further rises in Ger-man interest rates bave

dominated attention, especially

among foreign investors.
"The market is now concen-

trating on the bearish side."

says Mr Rüdiger Braun, who looks after German equities at

MAT Main Anlage Trust in

Frankfurt.
"We're telling customers to

be underweight in Germany at

present," says Mr Hans-Peter Wodniok, head of research at

James Capel in Frankfurt.

The rise of the dollar and risk

of higher interest rates have

brought uncertainty to the

market, outweighing some

excellent recent corporate

depressed immediate outlook, not all analysts are convinced

But while united on the

results.

(excluding UK)

108 Europe

120

TIME is hanging rather heavily on the hands of West German equity sales people at present, especially those dealing with for-

eign investors.
In spite of a plethora of encouraging corporate news 102 recently, coupled with buoyant earnings forecasts, sentiment has turned firmly against Ger-man stocks, especially among many international fund managers in London.

The reasons are not hard to find. The first is the dollar and the second is fear about rising domestic inflation, triggering higher interest rates.

Investors have been unsettled after last month's surprise increase in the discount and Lombard rates and the recent zig-zags in government finan-cial policy. So, as the US cur-rency continued to hover around the DM197 barrier this week, talk in Germany bas been of renewed interest rate rises to buttress the D-mark and stem the danger of imported inflation.

The decision by the Bundeshank at its regular Council meeting on Thursday not to raise rates again was widely welcomed, but bad little impact on the market.

The thinking behind the anxiety about higher interest rates deserves closer attention, as it appears partly to stand earlier reasoning on its head and illustrates the power of sentiment in the market at present.

In the past, a rising dollar was taken as a positive sign for German shares, in view of the large number of strong exportoriented stocks quoted, especially in motors, steel and heavy engineering.

Luxury car producers such as Daimler, BMW and Porsche have been punished in the US in the past two years by a string of currency-dependent price rises, which have cut sales and increased their vulnerability to domestic manu-facturers and the Japanese.

In addition, the recent strength of the dollar, coupled with clear signs that the US trade deficit is going down, will take the sting out of any dangers of a protectionist back-lash or punitive action against A tonic for the German marabout the strong link between the rising dollar and imported inflation which is taken to lie at the heart of the argument over rising interest rates. "The main factor behind inflation has tended to be domestic loan

demand," argues Mr Braun. Demand for credit grew strongly last year as compa-nies built up their inventories in line with the country's much stronger-than-expected economic growth. Mr Braun reckons there are signs that the demand for credit is starting to peak.
Whatever the economic argu-

ments behind the danger of rising interest rates, the poor image of German monetary and fiscal policy bas had e hand in the decision by many investors to steer clear of German shares.

After springing one surprise interest rate rise, investors are anxious that the Bundesbank could produce another. That danger is seen as acute in view of the fact that the April

Few analysts can find words to describe the Government's present financial course, notably the U-turn on withholding tax. "There is a lack of confi-dence in the Bonn Government," notes Mr Wodnick.
The pessimistic mood comes

in the face of a string of highly encouraging corporate results. Uncertainties in the market. however, have been reflected in the shift of interest among many foreign investors away from key sectors such as motors, banks and insurance towards areas such as retailing and building stocks.

The result of such factors has been to leave the market singularly cool about developments such as Thursday's surprise announcement by Veba that it is buying a 46 per cent stake in Peldmuhle Nobel for more than DM1bn.
The Flick brothers' skill in

quietly assembling the large stake in Felmuhle which it sold to Veha may herald a more entrepreneurial trend on the German hourse, but analysts were left unimpressed both by the industrial logic of the deal for Veba and by the rights issue that is to go with

Bourses rise as confidence trickles back AN EASING of interest rate fears helped European bourses of 46 per cent on Thursday. nary shares jumped FFr4.20 to

Viag, the energy and chemi-cals company, gained DM7 to DM302.50 on takeover rumours.

There was speculation that Londro of the UK was on the

prowl or that Bayernwerk, in which Viag has a 38 per cent stake, would buy ahares in Viag to ward off a hostile bid. Nixdorf rose DM8.50 to DM835.50, also on continued

takeover talk.
PARIS jumped by I per cent
as investors focused on a few

stocks, after interest rate fears

w. The CAC 40 index rose

annarently flew out of the win-

16.75 to 1,674.75 and the OMF 50 index gained 5.12 to 481.20.

Losses early in the week reduced the OMF 50 index's weekly climb to 1.07 points.

Casino had a busy day as investors reacted positively to details of the retailer's convert-

ible bond issue with warrants. Casino ADP shares soured 6.4

per cent to FFr164.40, a gain of FFr9.90, with 228,100 shares

fears helped European bourses gain ground, with several of the smaller markets continu-ing their record-breaking runs, writes Our Markets Staff.

FRANKFURT rose further after the Bundesbank's decision not to raise interest rates on Thursday, but investor confidence was not fully restored and volume was moderate. People don't know quite what to think about interest rates," explained one analyst. He added that there had been some interest from UK institutions, but the market had generally been pretty quiet.

The DAX index rose 6.43 to.
1,350.41, taking its rise for the

week to 0.2 per cent, and the FAZ index gained 1.16 to 568.12. Total German turnover was worth DM4.15bn. Veba, the energy group, closed DM5.30 down at

DM281.70 before saying it had not decided whether to make an offer for further shares in paper company Feldmühle ---which eased DM11.70. to

Lingering doubts restrict Nikkei advance

A PAUSE in the yen's fall gave investors an opportunity to come back into the market, but lingering uncertaintles kept trading at a modest level, writes Michiyo Nakamoto in

Share prices drifted in early ever, that in spite of some wor-trading, in spite of favourable ries, the market has remained news such as the Bundes relatively strong thanks to bank's decision on Thankaday expectations of buoyant Share prices drifted in early not to raise its Lombard rate. demand from new funds likely Later encouragement from the currency market, however, belped the Nikkel average edge above the 34,000 mark and close 144.65 up at 34,000.98. The day's high was 34,006.57

and the low was 33,803.86. Advances led declines by 500 to 390 while 185 issues were Turnover was still discouragingly low at 750.71m shares, although higher than the 626.70m traded on Thursday. The Topix index of all listed shares rose 8.43 to 2,518.15 and 2.81 to 2.017.60 in London trad-

ing.
The yen's slight recovery against the dollar helped boost investor confidence to some extent. But the lack of turn-over showed that institutional investors were once again remaining on the stdelines.

Many analysts contend, how-

tions of bonds - Y2,800bn of government bonds will be redeemed on 22 May - and from public institutions once

the budget is passed.

The recent strength of the dollar brought electricals and precision stocks to centre stage, Favourable husiness performance and good prospects in the near term particularly boosted high-technology elec-tricals. Electrical issues have been neglected and it was felt

.Toshiba was actively selected, topping the volumes list with 54.5m shares traded. It closed unchanged at Y1,370.

most actively traded with 29.7m shares, added Y20 to Y1,180, and Victor Co of Japan rose Y170 to Y2,440.

Amada, a leading builder of metalworking machines, increased Y70 to Y1,730 in active trading.

Interest in high technology

issues supported share prices in Osaka. iere the OSE aver age added 186.95 to 33,087.7L Volume also improved, to 110.02m shares against 65.73m traded on Thursday, Nintendo, the video computer game maker, was the top gainer, adding Y1,100 to Y11,400.

Roundup.

A FAIRLY quiet day in Austra-lia was enlivened by company news. Singapore was closed for

AUSTRALIA lacked sparkle that their prices would not fall lower than their present levels. as the market consolidated

amid fears of a tighter monetary policy. The All Ordinaries index edged 2.1 higher to 1,5629 in thin volume of 76.6m

Mitsubishi Electric, second shares worth A\$168.4m. Bond Corp rose 15 cents to A\$1.35 after saying it was selling its worldwide brewing interests to Bell Resources, in which it has a 58 per cent stake. Bell Resources gained 15 cents to A\$1.07 and the Bell Group picked up 19 cents to 79 .

Goodman Fielder Wattie fell 2 cents to A\$2.42 on active turnover of 3m shares. On Thursday, Goodman sold its 29.9 per cent stake in the UK's Ranks Hovis McDougall, which is seeking to take over the Australian food group, to a com-pany controlled by Sir James Goldsmith, Mr Jacoh Rothschild and Mr Kerry Packer.

MANILA declined in a busy

ssion amid rumours that former president Mr Ferdinand Marcos bad died in Hawaii, which stirred up fears of political nnrest. The composite index lost 18.44 to 1.084.53.

the ISE/Nikkei index climbed Hong Kong suffers steepest daily fall since the crash

By John Elliott in Hong Kong HONG KONG'S stock exchange yesterday suffered its

biggest daily fall since the 1987 world market crash when concern about developments in Peking, including a possible army clampdown on demonstrators, unexpectedly turned several weeks of generally can-tious, quiet trading into a spate

of panic selling.
The local Hang Seng Index
fell 126.7 points from Thursday's close to 3,145.63, its low-

NATIONAL AND REGIONAL MARKETS

Figures in perenthe

West Germany (100)...... Hong Kong (49)...... Ireland (17)......

Switzerland (57)...... United Kingdom (314).....

Pacilic Ex. Japan (224)... World Ex. US (1885)..... World Ex. UK (2129)..... World Ex. So. At. (2383)...

North America (683) Europe Ex. UK (694)

New Zealand (24)...

orway (26)_

Spain (43)..... Sweden (35).

Austria (1

est level since May 4 when the market climbed to new post-crash highs in spite of the

Peking trouble Trends early next week are expected to depend on events in China. A peaceful settle-ment of the demonstrators' demands would lead to a rapid rise in prices, but a clampdown accompanied by violence would knock confidence badly.

FT-ACTUARIES WORLD INDICES

Jointly complied by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

Mackenzie in conjunction with the institute of Actuaries and the Faculty of Actuaries

Gross Olv. Yield

Yesterday's fall was trig-gered by reports that the Chi-

THURSDAY MAY 18 1969

118.02 118.97 133.24

118.68 182.24 132.75

123.90 107.09 119.41

125.89 159.87 131.81

104.43 74.81 127.26 129.30 70.46 167.79

168.64 176.01 104.07 63.38 167.89 146.72 122.79 135.93 143.36 63.79

133.74 118.72

106.35 138.51 164.21 141.08 119.07

121.13 140.39 131.51

131.70

-0.2 -0.3 +0.2 +0.2 +0.3 +0.3 +0.5 +0.5 +0.5 +0.5 +0.6 +0.7 +0.6 +0.7 +0.7 +0.7 +0.7 +0.7

+0.2

+0.1

135,26 116.91 130.35 137.43 174.53

174.58 143.90 114.01 81.13 188.92 141.15 76.92 183.17 184.10 192.14 113.61 69.19 183.27

160.17 134.05 148.39

156.53

69.63 145.99

116.10 151.20 179.26 154.01

129.98 97.68 132.24 153.26

143.83 125.02

nese army was being moved into Peking to replace local troops who bad allegedly refused to restore order, and that Mr Li Peng, the Prime Minister, was warning of greater chaos than bad occurred in the 1960s cultural revolution.

This was too much for a market, which had survived the political uncertainty of the past month by reflecting Hong Kong's widespread though ner-

Dollar

135.48 118.42 130.48 137.20 175.99 147.29

vous optimism that a more lib-eral and democratic regime might emerge from the unrest. Local investors started a wave of selling which was later picked up by institutions and international funds.

Turnover was HK\$2.5bn yes-terday from levels of HK\$1bn to HE\$1.7bm in the past week. The close of 3,277.66 compared with Monday's post-crash peak of 3,309.64 and a record high of 3,949.73 on October 1, 1987.

DOLLAR BIDEX

1989 Low

128.28 92.84 128.52 124.67 165.35

112.57

111.80 125.00 76.92 180.30 143.35 153.32 110.63

1989 High

157.12 124.18 137.10 137.43 181.03 159.16 122.79 90.40 140.33 151.36 66.86 200.11 184.10

192.14 122.22

148.51

135.00

138.83

126.76

Year

ago (approx)

125.09 88.45 121.47 115.58 126.01 132.75 87.48 73.15 98.92 123.27 70.67 172.16

102.61

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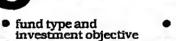
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· available schemes



 investment advisers number of securities

and unitholders minimum

investment

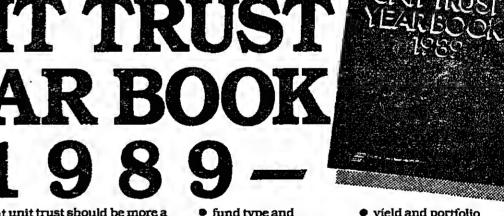
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135.97

123.18

135.86 -0.1 2.24 Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities Limited, 1987 Letest prices were unavailable for this edition.

132.75 118.92 82.94 138.76 147.00 82.26 160.53 190.51 516.48 114.90 61.51 80.92 137.50 141.90 77.10 183.54 183.21 186.83 181.46 69.88 181.46 189.80 147.75 154.94 68.18 144.14 149.36 171.39 103.44 64.05 186.78 110.53 66.84 139.92 124.57 115.35 143.14 138.45 69.16 134.53 112.13 78.02 198.39 180.35 144.85 156.17 162.00 77.62 116.49 177.12 144.96 119.85 138.44 153.92 75.85 133.74 129.61 146.88 122.54 135.81 142.41 63.58 132.48 118.90 145.00 121.46 137.90 152.59 111.29 +0.4 +0.9 +0.3 75.65 132.48 129.36 79.76 153.33 129.61 102,92 114.02 137.95 178.37 152.83 112.79 97.36 123.48 152.04 138.06 121.70 155.81 194.72 154.22 129.98 105.29 113.22 145.90 157.60 139.90 126.93 100.50 120.52 139.15 136.10 115.21 151.18 179.57 105.87 114.83 3.59 1.95 0.69 1.58 3.44 3.00 4.20 1.66 2.03 2.23 3.53 .105.90 138.96 145.68 185.05 141.40 119.25 158.50 140.26 128.69 167.46 142.82 103.59 -0.5 -0.3 +0.2 +0.1 +0.4 -0.2 -0.1 +0.3 129.74 97.86 131.87 89.49 121.21 140.70 131.92 100,44 120,01 139,49 86.93 110.77 141.74 125.83 137.65 162.77 146.04 153.C7 136.38 136.10 122.63 143.53 143.63 124.53 138.82 114.51 126.75 104.97

132.02 114.45

131.96

WEDNESDAY MAY 17 1989

124.53 108.84 119.93 126.10 161.76 135.38 104.20 74.37 126.38 129.87

70:87 168.70 168.39

Local

Currency

118.99 121.19 133.05 118.47 183.83 183.83 118.84 83.00 137.23 148.72 52.73 161.55 159.77 501.22

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchanga Official Lief and should not be reproduced without permission. Details relate to those securities not included in the FT Share

Unless otherwise indicated prices ere in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talleman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.
For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous

days is given with the relevant date.

Rule 535(2) and Third Merket stocks are not regulated by the international Stock Exchange of the United Kingdom and the Republic ‡ Bargains at special prices. • Bergsins done the previous day.

10%% Deb Stk 2016 (Fp/AL-26/5/89) -

10%% Deb Stk 2016 (Fp/AL-26/5/69) £100%
41% Uns Ln Stk 92/97 - £65
74% Uns Ln Stk 92/97 - £85
8as investments PLC 7%% Uns Ln Stk
92/97 - £83 4 (18/4/89)
8uinenth. P. Hidgs PLC 61/4% Cum Pri £1 101% (17/4/89)
8-% 2nd Cum Pri £1 - 101% (17/4/89)
Everards Brewery Ld 5% Cum Pri £1 - 50
(12/4/89)

A Ord 5p - 300 (17My89)

Registered Housing

No. of bargains included nil

No. of bargains included 1804

North Housing Association EdiZero Cpn Ln Stk 2027 - 290 (12My89)

ABB Kent PLC8% Uns Ln Stk 88/93 - £80 ACHokalngs PLC11% Cmv Uns Ln Stk 94/98 - £106 6 (12M/98) ADT LdADR (10.1) - £29,15 ½ ¼ AMEC PLC15% Uns Ln Stk 1992 - £100

8.25% Cum Prf \$1 - 73% Adscena Group PLC7 %% Cnv Red Cum Prf \$1 - 125 Alrhours PLCWarrants to sub for Ord - 23 1734-880

(17My89)
Akzo NVOrd F20(Reg) - FL145¼
Aktion PLCOrd 20p - 83
Alcan Aluminium LdCom Shs of Npv - \$20.7
Alcanders Hides PLC'A7Rst VlOrd 10i

123.7 Also,anders Hidgs PLC*A*(R91.V)Ord 10p -25 (17)4y89) Alexon Group PLC6.25p (Net) Cnv Cum Red Pri 10p - 110 10 Amber Day Hidgs PLC 10%** Cum Pri 99:2002 21 - 99 (15)My89) Arten PLC 11%** Cnv Uns Ln Stk 1990 -Cept (15)4y80.

297 (16My89) Ash & Lacy PLC8% Deb Stk 87/92 = 297

6% (12My69) Asprey PLC9%% Cum Pri 21 - 129%

1: Amysey Associated British Engineering PLC4.9% Cum Prl 21 = 53 5 (12My89) Associated British Foods PLC55% Uns Ln Stx 67/2002 50p = 31% (15My89) 72% Uns Ln Stx 67/2002 50p = 41 (17My89)

(17My89)
Associated Paper Industries PLC3.85%
Cum Pri Et - 50 (17My89)
Attwoods PLCADR (5:1) - \$34.025
(16My89)
Attwoods (Figures) NV67:p Gtd Red Cm

(16My69) Attwoods (Finence) NV6½p Gtd Red Criv Prf 5p - 136 7 6 Austin Reed Group PLCOrd 25p - 375Φ

8349
Automated Security(Hidgs) PLC5% Cnv
Cum Red Pri £1 - 166 6
6% Cnv Cum Red Pri £1 - 123 % 4
Automative Products PLC9% Cum Pri £1

- 113 B.A.T Industries PLCADR (1:1) - \$9.115 10% Uns Ln Stk 90/95 - £95 6

(16My89) 104,% Uns Ln Stk 90/95 - 298% 9%

(17My89) BICC PLC6% 1st Cum Pri Sik £1 - 60

(17/4/89)
7% Deb Sit 85/90 – 293
7% Deb Sit 85/90 – 293
7% Deb Sit 90/95 – 268
BM Group PLC 4.65 (Not) Crw Cum Red
Pri 20p – 121 (16M/4/89)
BOC Group PLC 124/% Uns Ln Sit

2012/17 - £110 % BPS Industries PLC7%% Deb Sik 66/91 -

(12My89) S.S.C. Internetional PLC12%% Uns Ln Stk 93/98 - £100 (15My89) BTP PLC7-5p(Net) Cnv Cum Red Prf 10p

- 107

BTR PLCADR (4:1(- \$25.37 (17My69)

Bardon Group PLC Sp (Net) Chr Cum Red
Pri 10p - 109 (15My69)

Berdsey PLC Warrants to sub for Ord - 35
(15My69)

Bernott (Henry) Group PLC New Ord 10p 250 6

Beazer PLC6.57% Cum Red Prf £1 - 97%

117My89)
61% Cnv Uns Ln 6tk 2000 - 2139
61% Cnv Uns Ln 6tk 2000 - 2139
61% Cnv Uns Ln 6tk 2000 - 2139
6154/89)
81792 - 288

87/92 - 288

Blackett Hutton Hidgs Ld51/4 Cum Pri
Sit £1 - 50 (12M/y89)

Blue Arrow PLCADR (10:1) - \$18,48Φ
.485Φ '4Φ - 515Φ

Slue Cricle Industries PLC51/4 2nd Deb
Sit 1984/2009 - 285 (17M/y89)
6 '4 Urs Ln Stid(1975 or air) - 260
(1584/y89)

0 x 0 ins 1 ad (1975 to at) = 150 (1976) to at

Six 2011 - 1950
British American Tobacco Co Ld5% Cum
Pri Six 21 - 50
6% 2nd Cum Pri Six 21 - 59
British Printings Group PLC5.5% Cnv Red
Pri 11 - 85 (12M/89)
British Home Stores PLC5.5% Mitg Deb
Six 89/84 - 1780
61% Mitg Deb Six 89/94 - 183
(15M/89)

(15My89) 7 4 Mrg Deb Stk 94/98 - 251

(15My89)
British Shoe Corp Hidge PLC6%% Cum
Prf St - 80 (15My89)
85,% Cum 3rd Prf St - 55
7% Uns Ln Stx 85/90 - 590 (16My89)
British Sheel PLCADR (10:1) (Ptly Pd) \$14% ½ %

\$14% ½ %

British Sugar PLC 10%% Red Deb Sik.
2013 - £100% % % (17My89)

Brown & Jackson PLC10.75% Cnv Cum

9 K % Uns Ln Sik 96/2003 - 289 8% Cnv Uns Ln Sik 1996/2001 - 297

Buttin's Ld 7 1/96 1st Mig Dub Stk 85/90 -

590 (15My89) CMB Packaging S.A. FF15 - 250% New FF15 (3/4 1989 Div Reg) - 55 55

Cadbury Schweppes PLC33/1% Cum 1st

£93% (12My69) 10%% Deb Sik 87/2002 = £95%

- 99% resco PLC Cum Ptg Cnv Red Prf 1997 1p

ders Hidgs PLC"A"(Rst.V)Ord 10p =

5 APV PLC4.55% Cum Pri £1 - 63% 8.25% Cum Pri £1 - 73%

Commercial, Industrial, etc

Associations

'A' Ord 5p - 300 (17Myss)
8% Cum Prf 51 - 98Ф
10% Deb Sr. 2014 - 595½ (16Myss)
6%% Ind Uns Ln Srk - 570 (12Myss)
617Myss) PLC ADR (5:1(- \$40.45
(17Myss) Hardys & Hansons PLC Ord 25p - 965
International Distillers & Virtuers Ld 459

Corporation and County Stocks No. of bargains included 6 London County 2% Cons Sik 1920(or alter(- £22 i 18My89) Greater London Council 6 % Sik 90/92 -£87. ermingham Corp 2% Sik 1925(or after) - 220 (17My89) - £20 (17My99)
Birmingham District Council 111/% Red
Sits 2012 - £1061-Ф
Bristol(Cav of) 11/4% Red Sits 2008 - £105
(18My99)
Navicaste-Upon-Tyne(City of) 111/% Red
Sits 2017 - £104% (17My99)
Sunderland:Borough of) 111/% Red Sits
2008 - £107 (15My89)
Swansea Corp Sits(3/4*a) - £25

UK Public Boards

No. ol bargains ancluded:3

Agricultural Mongage Corp PLC4*% Deb Six 61:91 = 264 (15My89)
51:% Deb Six 9:95 = 281 (17My89)
61-5 Deb Six 9:95 = 281 (17My89)
61-5 Deb Six 9:95 = 293 (17My89)
61-5 Deb Six 9:93 = 285.7 %
10% Deb Six 9:93 = 285.7 %
10% Deb Six 9:95 = 296
Clyde Port Authority 3% Ind Six = 220
(17My89)
45 Ind Six = 225 (17My89)
61 (17My89)
Metropolitan Water Metropolitan Water 3%
A 6ix 63/2003 = 245 [17My89)
Petr of London Authority 81-% Reg Six 87:90 - 295 [16My89]
Port of London Authority 81-% Reg Six 87:90 - 295 [16My89]
Scottish Agric Sec Corp 14% Deb Six 1993 = 2102 (16My89)

Foreign Stocks, Bonds, etc-(coupons payable in London) No. of bargains included 3 Greece (Kingdom of) 6% Public Works Stig Ln of 1928(Assc) - S34 4 (18My89) Arco British Ld 11% Bds 1992 - \$35% (15My89) (15My89)
Associated Newspapers Holdings PLC 64% Gid Exch Bds 2003 - £153V-© Australa(Commonwealth of) 10%% Bds

Australia(Commonwealth 0710% To Each 1997 - £951/4 % (16My89) Barciays Bank PLC 12% Nts 1992 - £100.45/0 Hatifax Building Society Fitg Rate Ln Nts 1992(Brc5000) - £100.02 .05 (12My89) Hydro-Quebec Hydro-Quebec 11"bDbsSerHC9/2/99(BrSC1000,10000&

100000(- SC101% (12My89) emational Bank for Rec & Dev 10%% Nts 1999 (9r£5000) - £9712 % (16My89) sty(Republic of) 9%% Nts 1999 - \$100.2 manent Building Society9'4%

Bds 1993 (8r25000) - £91.35 (12My89) Pearson PLC 1011% Bds 2008 - £91% Φ 213 Φ

Inited Kingdom Fitg Rate Nts 1996 (Br\$1000\&500000) - \$100.41 (17My89) Sterling Issues by Overseas Borrowers No. of bargains included 21

Asian Development Bank 10%% Ln Stk 2009(Reg) - £100% (15My89) Ausmita(Commonwealth 0)95% Ln Stk 2012(Reg) - £91 % (17My89) 11 %% Ln Stk 2015(Reg) - £107% % Bank of Greece 10%% Ln Stk 2010(Reg) -

Caisse Centrele De Cooperation Econ 12% Grd Ln Stk 2013(Reg) – £117% (17My89) Caisse Nationale Des Autoroutes 18% Gtd Ln Stk 2006 – £142% % (17My69) Credit Foncier De France 10); %GtdSerLnStk2011,12,13,14(Reg)

10%-GdSerLnStk2011.12.13.14(Reg)
- £100 (12My69)
enmark(kngdom of) 13% Ln Stk 2005 £115½ (17My69)
decricite de France 12%% Gtd Ln Stk
2008(Reg) - £116
11%% Gld Ser Ln Stk 2009/12(Reg) £112% ¼ ¼ ½
zooppen Investment Bank9% Ln Stk E112% % % 2 ropeen investment Bank9% Ln Stk 2001 (Reg) - £85% (17My89) 9%% Ln Stk 2008 - £95% 97% Ln 5tk 2004(Reg) - £99% 11% Ln 5tk 2002(Reg) - £96% nland(Republic of 11%% Ln Stk 2009(Reg) - £106% (17My69) Inco Ld 15% % Uns Ln Stk 2006 \$ Rep Opt

- £127% (17My69) ternational Bank for Rec & Dev9%% Ln 58, 2010(Reg) = £94% (16My69) 11.5% Ln Stk 2003 = £107% eland 12%% Ln Stk 2008(Reg) = £113% & & w Zealand 11 %% Stk 2008(Reg) -

£104% 11%% Stk 2014(Reg) - £107% 6 (16My89) Nova Scotta(Province of) 16%% Ln Stk 2011 - £147% (12My89) Portugal(Rsp of) 9% Ln Stk 2016(Reg) e de Quebec 12% % Ln Sti. 2020 -Province de Ouebec (22 % 5 6)
£114% 325 %
£114% 325 %
Trinidad & Tobago(Republic of) 12% Ln
Stk 2009(Reg) = £98 (17My\$9)
United Mexican States 16% % Ln Stk
2008(Reg) = £115 (12My\$9)

Banks and Discount Companies

No. of bargeins included 1300

Australia & New Zealand Benking GpNew SA1150° Fd8Rkg 50% Div T# 30/9/90) - 150 | 12My89) Bank of Wales PLC 13½ % Subord Uns Ln Sit 95/97 - £108½ | 1/2My89] Barclays Bank PLC 7½% Uns Cap Ln Sik

Sik 95/97 - £108% 112My831 Sarciaya 8ank PLC 71/% Uns Cap Ln Sik 86/51 - £91 (17My89) 61-% Uns Cap Ln Sik 85/83 - £87% 6 12% Uns Cap Ln Sik 20010 - £108 16% Uns Cap Ln Sik 2002/07 - £131% (17My89) Barings PLC5%% Cum 1st Prl £1 - 70% Catter Aten Hidgs PLC4.2% 2nd Cum Prl £1 - 59 (16My85) Commerciank Ag Cdbr(iss Warburg) DM10 - £14.5% CO-Operative 8ank PLC6.48% Cum Red UM10 - £14% Co-Operative Sank PLC6.48% Cum Red Pri 2013 £1 - 96 117/My89)
Hambros PLC Non Vig £1 - 57 (16My89)
7.5% Cum Criv Red Pri £1 - 95% 9 6 %

1 1

100 Lombard North Central PLC5% Cum 2nd Pri £1 - 45 50 (16My89) Midland Bank PLC7%% Subord Uns Ln Schang Bank PLC 77% Subord Uns En Sta 83/93 - 286 % 10%% Subord Uns En Sik 93/98 -299% 100 14% Subord Uns En 6tk 2002/07 -E117 % %

minster Bank PLCADR (3:1) National Westminster Bank PLCADR (3:1) - \$30.373988 7% Cum Pril \$1 - 68 9 71 (17My89) 9% Subord Uns Ln Sik 1993 - £91 2% 121/% Subord Uns Ln Sik 2004 -

ETION®
Loyal Bank of Scotland Group PLC
Warrants to sub for Ord - 54
5%% Cam Prf ET - 53
11% Cam Prf ET - 107 (16My89)
ichtroders PLC6%% Uns Ln Sts 97/2002 - £85% (16My89) tandard Chartered PLC 12%% Subord Uns Ln Stk 2002/07 - £107% %

(17My89) PLC 1011% Subord Ln Six 2008 - 256% % % % % 7 TSB Hill Samuel Bank Holding Co PLC 8% Une Ln Bik 8994 - 297 Warburg (S.G.) Group PLC 7%% Cum Pri £1 - 85 (17My89)

Breweries and Distilleries No. of bergains included 990 Allied-Lyons PLC5%% Com Prf £1 - 53 6%% Red Deb Stk 67/92 - 586 60%- Red Deb Stx o----(17My89) 7:1% Red Deb Stx 88/93 - 257% (17My99)
5%% Un5 Ln Stik - £45
5%% Un5 Ln Stik - £61 (17My99)
7%% Uns Ln Stik - £69 (17My99) 314% Deb Stk 67/92 - 281% 64% Deb Stk 67/92 - 292% 10%% Deb Stk 2016 - 2100% (15My89)

Pri Stk £1 = 75 (15My88) 6%% 1st Mtg Deb Stk 94/2004 - £88 (16My89) 9% 1st Mtg Deb S(k 88/93 - £90 3 Caltyns PLC 10% Cum Prf 21 - 108 Calebread Robey & Co PLC Ord 10p -178 (12My89) Canadian Overs Pack Industr Ld Com Nov 3750 ry 7rust PLC 11% Cum Prf £1 -

Cantreway 7rust PLC11% Cum Pri £1 – 104 5 (15My89) Channel Tumel Investments PLC5p – 163 Charningtons Industrial Hidgs Ld 10 % Uns Ln Site 93.79 – 2100 Charter Consolidated PLC2p(8r) (Cpn 49) - 523P Chepsiow Racacourse PLCOrd 25p - £12% Clyde Blowers PLC Ord 25p - 440 5 Cosis Patons PLC 9%% Uns Ln Stk 2002/07 - 687

euuziu/ - 257 7%% Uns Lin Sik 90/95 - 285 (17My89) 1sts Viyella PLC4.9% Cum Pri 21 - 50 Onlen(A.) & Co PLC Non.V "A" Ord 20p - 10 10.1 Colins(William) PLC6% Deb 9tk 93/98 -£70 (16My99) Colorell Group PLC9p Cum Red Prf 2005 10p - 98% Cookson Group PLC7% Pld Ord 50p - 30

Cookson Group PLC7% Ptd Ord 50p - 3u (16My89)
7% Cum Prt 21 - 55 (17My89)
Cooper (Fraderick) PLC5.5p (Net) Criv Red Cum Prt 9rt 10p - 99 (16My89)
Courauds PLC5% Cum 1st Prt 21 - 48Φ
7% Deb Stk 38/94 - 256 (16My89)
5/% Urns Ln Stk 94/96 - 277 % %
7% Urns Ln Stk 94/96 - 277 % %
7% Urns Ln Stk 94/96 - 277 % %
7% Urns Ln Stk 94/96 - 277 % %

lardys & Hansons PLC Ord 25p - 909
Hernational Distillers & Virtners Ld 45%
Deb St. 2002/07 - £56 (12My98)
Accdonald Martin Distillers PLC Te Ord
25p - £16 (12My98)
Arasileld Brewery PLC Ord £1 - 495 Covie(T.) PLC 10%% Cmv Red Cum Pri 21

= 13%
Crode international PLC5.9% Cum Pri 21

= 84 (154/989)
Crystalate Hidgs PLC 8%% Cnv Uns Ln
8tk 2003 = 286
Cullen's Hidgs PLC 9%% Cnv Uns Ln
8tk 2003 = 286
Cullen's Hidgs PLC Warrants to sub for
Ord = 6 (174/989)
DAKS Sempson Group PLCOrd 25p =
£16.3 (1234/989)
DRG PLC7%% Uns Ln Sik 88/91 = 288
Dalgety PLC4.85% Cum Pri £1 = 90
Davies & Metraulite PLC*A*(Non-V)Ord 10p

= 192 7 205 6 103
Dabenhams PLC7%% 2nd Deb Sik 91/98

= £81 (1744/98)
61% Uns Ln Sik 88/91 = 299
7%% Uns Ln Sik 2002/07 = £75
Delta PLC5.15% Cum 2nd Pri £1 = 43
(1744/98) Mansfield Brewery PLCG-61, (17My89) Scottsh & Newcastle Brewerles PLC4.6% Cum Prl 21 – 68 115My89) 7% Crw Qum Prl 21 – 143 4 5 7.1% 1st Mtg Deb Stx 85/90 – 293 4 (16My89) 7.8% 1st Mtg Deb Stk 89/94 - £87© eegram Distrilers PLC 12%% Deb Stk 7.8% 134
Seegram Distributers PLC1277 ~ 2012 - £113% (17My89)
Shipstone(James) & Sons Ld4% Into 1st
Mig Deb 6tk - £36 (17My89)
Group PLC9.875% Deb Six 2015 -

£92% % 3% (16My89) 10.75% Deb 6tk 2016 - £99% % .5325 113.% Deb Stk 2010 - £105% 7 11% Deb St. 2010 - £105% 7 **Stney, Marin & Truman Hidge PLC3%% **Ird Deb St. - £35 (18My89) 4% ** Ird Deb St. - £37 6 (18My89) 4% ** Red Deb St. 85/83 - £76 7% **Red Deb St. 87/92 - £89 - 157
Develorati(.1.)(Hidgs) PLC9.75% Cum Prf 21 - 105
Develorati PLCOrd 10p - 73Ф 4Ф
Dickle (James) PLCOrd 25p - 154 5
(17My83)
Dowly Group PLC7% Cnv Cum Red Prf 21 - 133 5 (16My63)
101% Red Deb Six 90/95 - £98
12% Red Deb Six 2008 - £113 4
Puttiread & Co PLCS Ord 250 - £11.62
5% 3rd Cum Pri Six £1 - 53 (15My68)
7% 3rd Cum Pri Six £1 - 72 (15My68)
43% Red Deb Six 99/2004 - £59

L1 - 133 5 Dunhik Hidgs PLC 4.2% Cum Pri £1 - 57 (17My89) (12My89) 6 ¥ % Red Deb Stk 87/92 - €85% (17My89)

Dwyer PLC7.28% Cnv Cum Red Pri £1
(Fp/PAL-5i9/89) - 104

Eastern Produce(Hidgs) PLC10%% Uns
Ln Stk 92/97 - 290 (15My89)

Egerbon Trust PLC9.75% 1st Cum Red Pri
£1 - 103 (17My89)

Ellot(8) PLC7% Cnv Cum Red Pri £1 112 5 (12My89) 7% Red Deb Stk 88/93 - £88 (15My89) 7%% Red Deb Stk 89/94 - £85 7%% Hea publication (15My89)
7%% Uns Ln Six 86/91 - 292 (16My89)
7%% Uns Ln Six 95/99 - 281
7%% Uns Ln Six 96/2000 - 280%Ф
10%% Uns Ln Six 2000/05 - 299
Young & Co's Brewery PLC9% Cum Pri
21 - 116 (15My89) k PLC8% Cnv Cum Red Prf 92/94

Bewick PLC8% Crv Cum Red Pri 92/94 £1 - 240 (16My89) Bys(Wimbledon) PLCOrd 25p - 900 (16My89) European Home Products PLC6%% Cum Red Pri 2001/05 £1 - 97 European Home Pri 2008/11 £1 - 97 European Home Pri 2008/11 £1 - 97 European PLC/European SAUnits (Stoovam Inscribed) - £9.275 9.305 9.345

Surounnum inscribed) - £9.2/5 % 9.345
9.345
Warrants (Sicovam Inscribed) - £780,73
Evode Group PLC8% Crv Uns Ln Sik
03/06 - £160 (17My89)
Ev-Lands PLCNew 10p (Mi Pd-28/5/89) 70 1 (16My89)
Warrants to sub for Sits - 68
Excellibur Group PLC11.5% Cum Prf £1 oup PLC7.7% Cnv Cum Red Pri 95/99 £7 - 110
Ferranti International Signal PLC5.6% 1st
Clam Prf £1 - 74% (16My99)
Fisons PLCADR (4:1) - \$16.975
Folkes Group PLCOrd 5p - 59%‡ \$0 %‡ 1

12 1/2 25 Ford Motor Co Bdr(1/20th Sh Nat West Back) - 135 (12My89) prominster PLC11% Cum Pri £1 - 116 9 (12My89) pseco PLC6K% Cnv Red Cum 2nd Prf =

140
10% Cnv Uns Ln Stk 90/95 = £140
Friendy Hotels PLC4%% Cnv Cum Red
Pri £1 = 103
7% Cnv Cum Hed Pri £1 = 112
Frogmore Estates PLC 13 85% 1st Mrg
Deb Stk 2000/03 = £994
GKN (United Kingdom) PLC7%% Grd Deb
Stk 88/91 = £91 (17My89)
10%% Grd Deb Stk 90/95 = £59%4
General Electric Co PLCADR (1:1) = \$3.93

.95
7'4.% Uns Ln Sik 87/92 - 228 9
7'4.% Uns Ln Sik 88/93 - 267 6
Jeneral Instrument Corp Sits of Corn Sik
51 - 531 4 (12M/98)
Sestetner Hidgs PLC 10% Cnv Urs Ln Sik
90/95 - 5161 2 (17M/98)
Jazo Group Ld 64% Uns Ln Sik 85/95 50p - 38 (15My89) 7½% Uns Ln Sik 85/95 50p - 41

(16My89) lynwed International PLC 10%% Uns Ln 5tk 94/99 - £90 6% 5tk 94/99 - E90 8% Goodwin PLCOrd 10p - 59 90 %‡ Grand Metropolitan PLC5% Cum Prf £1 -50% (15M/89) 5.75% CULS 1989 400p (200p Pty

5.75% CULS 1989 400p (200p Ptly Pd)(Reg) - 348 (Great Universal Stores PLC57/% Red Union Lin Stk - 250 (15M/98) 61% Red Union Lin Stk - 258 (16M/98) 61% Union Lin Stk - 258 (16M/98) 61% Union Lin Stk - 258 (16M/98) 61% Union Lin Stk - 258 (16M/98) Hanover Druce PLC5.75% Cmv Cmm Red Pri £1 - 268 6 (15M/98) Henriburger Brooks PLC25p - 160 200 (16M/98) Hewitti, Li & Sont(Fenton) PLC 10% Cum Pri £1 - 108 (15M/98) Hodgson Holdings PLC6.75p (Net) Cmv Pri £9 - 85 (17M/98) Honde Motor Co Ld Shis of Cum Stk Y50 - Y524 432 976.84

sp - 85 (17My89) Honde Motor Co Ld Shis of Cum Sik Y50 -Y932.432 976.84 House of Fraser PLC6%% Uns Ln 6tk 93786 - 2849 Howard & Wyndham PLC 18% Une Ln Sik 7891 - 197

78/91 - 297
Hunterprint Group PLC6%% Cnv Cum
Red Pri 21 - 110 (174/989)
Hunting Associated Industries PLC9%%
Cnv Uns Ln Site (30/8 - 2330 (164/989)
IMI PLC5%% Uns Ln Stc 2001/06 - 282

MI PLC5% Uns Ln Sk 2001/06 - 162
(164/y69)
71% Uns Ln Sik 86/91 - 289 (15M/y69)
10stand Frozen Foods Hidgs PLCC7W Cum
Red Prt 20p - 107 6 % 9
Imperial Chemical Industries PLC7%%
Uns Ln 6ix 86/91 - 293
6/% Uns Ln Sik 88/93 - 293
imperial Cold Storage&Supply Co Ld Ord
R0.25 - 175
Jessups PLC7.3p (Net) Cnv Cum Red Prf
50p - 95 (17M/y69)
Johnson & Firth Brown PLC11.05% Cum
Prt £1 - 117 20

Ohnson & Firth Brown PLC11.05% Qum
Pri £1 - 117 20
11% Uns Ln Sik 83/98 - 296 6
(ohnson Group Cleaners PLC7.5g (Net)
Crv Cum Red Pri 10p - 142 (16My89)
9% Cum Pri £1 - 100 (12My89)
(chrson,Maxthey PLC8% Cnv Cum Pri £1
- 700 (17My89)
Ulbans & Hågs PLC7%% Cnv Uns Ln Sik - 700 (17My89) Juliana : Hidgs PLC7%% Cnv Una Ln Stk 2000/02 - 983 (15My89) KLP Group PLCCum Cnv Red Pri 10p -85 (17My89)
Kenning Motor Group PLC6%% Cum Pri
£1 - 51 £1 - 51 Lamont Hidgs PLC10% 3rd Cum Prf £1 -105 (16My88) Laporte Industries(Hidgs) PLC8% Deb Stk 93/86 - 2840 Latham(James) PLC8% Cum Prf £1 - 84

7 | 12My89|
Laisure Investments PLC7% Cum Cnv
Red Pri (83/98) 21 - 92 3
Lewis(John)Partnership PLC8% Cum Pri
Six 21 - 49
Lex Service PLC2nd Ser Wha To
Subscribe for 1 Ord - 210 (12My89)
61% Uns Lin Six 32/97 - 288 (12My89)
Lite Sciences International PLC8% Cum
Cnv Red Pri 21 - 185 (16My89)
Literad PLC8% Uns Lin Six 67/92 - 287%
(16My89) 7 | 12My89

Linread PLC (16My89) London Inte - \$15.96 ernational Group PLCADR (5:1) London Park Hotels PLC 10%% 1st Mtg Deb Sik 2000/05 - £97 (16My69) Lonno PLCADR (1:1(- \$4.45 .58 .6 7'4% 1st Mtg Deb Sik 86/91 - £87

(15My89) 9"5 2nd Mtg Deb Stk 87/92 = 282 Low(Wm) & Co PLC6.75% Cum Cnv Red Pri St = 137© Pri ST - 13749 Lowe(Robert H.) & Co PLC67.5% (Net) Cnv Cum Red Pri 10p - 90 90 1 3 6 Lucas Industries PLC10%% Una Ln Sok Lucas Industries 92/97 - £100

Pri 21 = 105
New 10.75% Cnv Cum Pri 21 = 102
Brown(John) Pl.C7%% Deb Stk 84/89 = 236 (128/y89)
Bulgin(A.F.(& Co PLC Ord Stk 5p = 125
Bunz! Pl.C7% Cnv Urs Ln Stk 95/97 = 124/y 5
Burndene Investments Pl.C 15% Una Ln
Stk 2007/12 = 2112 (16M/89)
Burton Group Pl.C8% Uns Ln Stk 98/2003 = 27/9 Lucas Industries PLC-10%% Uns Ln Sot 82/87 - £100

Lyon & Lyon PLC-Ord 25p - 265 (15My89) MB Group PLC-Ord 25p - 205 5 6 % 7 8 Mecarthy PLC5%% "8" Cum Red Pri £1 - 60 (17My89)

McCarthy & Stons PLC7% Crw Uns Ln Stx 98/04 - £103 5 7

Marks & Spencer PLC7% Cum Pri £1 - 70 (15My89)

10% Cum Pri £1 - 90

Marshall's Universal PLC7%% Cum Red Pri £1 - 89 % (17My89)

Miscca Leisurs Group PLC7% Cum Red Pri £1 - 89 % (17My89)

Miscca Leisurs Group PLC7% (Net) Crw Cum Red Pri £09 - 96 % % 7

11.5% Deb Sck 2011 - £102 (18My89)

Monsamo Co Cum Six \$2 - £51 (15My89)

Morgan Crucible Co PLC9!;/% Deb Sik 95/2000 – 193 (16/J/48)(NSM PLC8.5p (Net) Criv Curr Red Prt 10p - 120 Normans Group PLC6%% Cnv Uns Ln Stk 99/04 - 2105

99/04 - 2:105 North Middand Construction PLC Ord 10p - 165 (15My65) Northern Engineering Industries PLC7% Urts Ln Stk 2000/03 - 287 (15My89) 61% Urts Ln Stk 68/33 - 286 9% Urts Ln Stk 90/95 - 288 (15My89) Oceanics Lin Sit 90/95 - 285 (15My99)
Oceanics Group PLCWarrants to sub for Ord - 14% 5.5 5 %\$
Other(George)(Footwess) PLC Ord 25p - 530 ald Group PLCCum Red Pri 2010/13 21 - 92 | 15My69) 7% Cum Cnv Red Pri 21 - 400 10 TertierHidgs(PLC Ord 25p - 285

Parkland Textile(Hidgs(PLC Oro 20) - (12My69)
Paterson Zochonus PLC 7½% Cum Pri £1 - 80 (15My69)
10% Cum Pri £1 - 109Ф
Pavition Leisure Hidgs PLC Ord 10p - 170 Payton Letsure Higgs F1 2 5 6 80 2 3 5 Pearson PLCS 25% Una Ln Stk 88/93 -285 (12My89) 13.625% Une Ln Stk 2007 - £116% milland industries PLC ADR (6:1) - \$9% on AGE PLC7.5p Cnv Subord Ln

Pargamon AGB PLC7 5p Cnv Subord Li 56 2002 2%p - 58 8 (168/498) Plar Bectrical PLC7%% Uns Lin Sok 86/31 - 292 (12M/59) Pleasey Co PLC7%% Deb Six 82/97 -288% 288%
Polly Peck International PLC6% Curn Criv
Red Prf 21 - 128
Portats Hidgs PLC95% Criv Uns Lin Stk
94/200 - 2205 (16%/98)
Portland Holdings Ld Ord \$20.50 - 4 |18My89) | web Duffryn PLC4 4% Cum Pri 50p -

Powers Date of the PLC 13% Cnv Una En Sik 1955 – 286:105 50 (12hly89)

Queens Moat Houses PLC 104% 1st Mig Deb Sik 2020 – £94 (16hly89)

New104%1stMtgDebSik 2020(£40Pd-1 - \$40% % % % R.E.A.Hidgs PLC9% Curn Pri £1 - 899 12% Cny Uns Ln Stk 2000 - 290 100 (17My89) Deb Sitk 92/96 - 588 (16My89)
PH Lid8's Deb Sitk 92/96 - 588 (16My89)
PH Lid8's Deb Sitk 92/92 - 530
745% Uns Lin Sitk 87/92 - 588 (17My89)
9% Uns Lin Sitk 98/2004 - 290
Iscal-Chubb Lid8's Uns Lin Sitk 92/95 -

12699
Racal Sectronics PLC ADR (1:1) - \$8.01
02.03.05.15.17.16.26
Recal Telecom PLC ADR(10:1) - \$724.47
Rank Organisation PLC ADR (1:1) - \$15%

9949 Readfout International PLC 6%% Uns Ln Six 88/83 – 589 Reckitt & Colman PLC 5% Cum Prf £1 – 47%
Reed International PLC5%% Cum Red Pri
£1 - 50 (15My89)
Retyon Group PLC7%% Une Ln Stk 86/91
- 290 (16My89)
Rsxmore PLC13%(Net)Cm Cum Red
Prij91/92) £1 = 193
Rockware Group PLC6%% Cum Pri £1 65 (17My89)
7.25% Cnv Cum Red 2nd Pri £1 = 93 3
4%

4% 8% Ums Ln Sik 95/99 - 277 (12My89) Rohr Industries Inc Sha of Com Sik \$1 -533.105/6 Ropner PLC 11%% Cum Prf £1 - 127 9 (16My89) (16My88) Rugby Group PLC6% Uns Ln Six 93/98 – £75 (16My89) 7 % Uns Ln Six 93/98 – £79 (16My88) Diseast Atexander) PLC5,75% Cum Cnv Rusself, Alexander) PLCS, 75% Cum Crw Red Pri - 78 (12My83) S & U Stores PLCS* Cum Pri £1 - 50© SD-Selcon PLC8.5% Crv Cum Red Pri £1 - 128 (17My89)

Warrants to sub for Ord - 17 (17My89)

Searchi & Seatchi Co PLCADR (3:1) - \$16

seatom e seaton co PLCADR (3:1) = \$16 6% Crv Une Ln St 2015 = £74 Seinsbury() PLC6% Ind Uns Ln Stk = £76 (15My69) Senderson Murray&Elder(Hdgs) PLCOrd 50p = 240 (16My89) 50p = 240 (16My89) cantronic Hidgs PLC7,25p (Net) Cnv Cum Red Pri 20p = 122 (18My89) 5,75% Cnv Cum Red Pri £1 = 203 (12My89) Scape Group PLC8% Uns Ln Sek 88/93 = 2850 Scott & Robertsen PLC7%% Cum Crv Red Pri 21 - 140% 3 Sears PLC7% "A" Cum Pri 21 - 70

(16My89)
71% Uns Lin Sik 92/97 = 181 (16My89)
Senior Engineering Group PLC9.6% Uns
Lin Sik 91/96 = 290 (16My89)
Servomex PLCNew Ord 5p Servonex PLErew Urb 39 [Fp/LA-26/569] = 148 Ord 10p = 145 8 ½ 7 6 6 50 50 1 1 2 3 3 4 5 5 7 7 6 60 2 Syllaw Group PLC7%% Une Ln Stx 2003/08 = 258

Sidlaw Group PLC7%% Una Lin Six 2003/08 – 238 Simon Engineering PLC6% Curn Pri £1 – 80 (16My89) 600 Group PLC3.15% Curn Pri £1 – 44 6%% Una Lin Six 67/92 – 230 (16My89) 11% Una Lin Six 67/92 – 230 (16My89) 11% Una Lin Six 67/92 – 236% Smith (W.H. (Group PLC18** Ord 10p – 90 1 2 (16My89) 5%% Red Una Lin Six – 250 (16My89) 5%% Red Una Lin Six – 250 (16My89) 5miths Industries PLC11 % No Deb Six 95/2000 – 236% Smurifit Jefforson(Group PLC10%** Una Lin Six 75/93 – 6395 (16My89) 9% Criv Una Lin Six 75/93 (16My89) 9% Criv Una Lin Six 7

720 (17Ny89)
Sperati (C.A.)(Special Agency) Ord 50p –
£13.84
Spong Hidgs PLCCrw Gum Red Pri 20p =
59 (12Ny89)
Stag Furniture Hidgs PLC11% Gum Pri £1
– 115 |17My89)
Staveley Industries PLC71% Uns Ln
Stk(8691) – £80
Staviling Industries PLC1st Pri(5%%
Gum)£1 – 51 (17My89)
Stonehill Hidgs PLC10%% Gum Pri £1 –
88

thouse PLC9% Cov Uns Ln Stk 1982 - £115 6 - £115 6 Swan(John) & Sons PLCOrd 25p - 805 Symonds Engineering PLCOrd 5p - 41 7 & N PLC8% Mtg Deb Stx 87/92 - £88

(17My69) 10.1% Mig Deb Sik 90/95 - £95 (15My89) 11%% Mig Deb Sik 95/2000 - £102% (16My89)
Tarmac PLC6K% Deb Sik 89/94 - 290%
(15My89)
7% Deb Sik 92/97 - 282 (15My89)
7% Deb Sik 92/97 - 282 (15My89)
8% Uns Ln Sik 90/95 - 291 (16My89)
Tate 8 Lyle PLC7%% Deb Sik 89/94 - 299 (16My89)
8% Uns Ln Sik 2003/05 - 275

8% Uns Lin Stk. 2003/08 - 275
Taylor Woodrow PLC6%% 1stMrgDebStk
2014(£30Pd-15/6/89) - £28%Ф
Teitos Hidgs PLCWarrants to sub for Ord
- 121 3 \$ \$ 6 % \$
9% Cum Pri £1 - 103 (16My89)
Termassee Gas Pipeline Co10% Stdy%
Cnv Uns Lin Stk 51/85 - £180
7esco PLC4% Uns Deep Disc Lin Stk 2006
- 247% (17My89)
THORN EMI PLCWarrants to sub for Ord
- 195 200 (12My89)

- 195 200 (12My89) Tilling(Thomas) PLC8-25% Cum Pri £1 -75 (17My89) 8% Deb Sit 85:90 - 293% (15My89) 8% Urs Ln Sit 83:94 - 285@ 8@ Tloxide Group PLC 11%% Urs Ln 8tk 91:95 - \$100% (16My89) 78aghur Jule Factory PLC Ord Sit 21 -590

550
6% Cum Pri Stk £1 - 175Ф
Tootal Group PLC5% Cum Pri £1 - 60
(17My89)
4 %% Parp Dab Stk - £40 2% (18My89)
6 % Dab Stk 8590 - 590 (16My89)
7 %% Dab Stk 8590 - 593 (12My89)
7 %% Urs Ln Stk 89/84 - 582
7 Wes PLC Ord 10p - 200 7 ± 90
'% Non-Y-Ord 10p - 80 2 8‡ 8‡ 91‡ 2 S
7% 6 192 7% 6 102

"A" Non-V-Ord 10p - 90 2 8‡ 8‡ 91‡ 2 S
7% 6 102
Trataiger House PLC7% Uns Deb Sik £1
- 63 (12My69)
8% Uns Ln Sik 9499 - £33%
6%% Uns Ln Sik 2000/05 - £90
(1dMy69)
10%% Uns Ln Sik 2001/06 - £89
Transport Development Group PLC-4.2%
Cum Prf £1 - 56 (17My69)
91% Uns Ln Sik 95/2000 - £51 K
Trusthouse Forte PLC-Warrants to sub for
Ord - 105 7 %
10.5% Mig Deb Sik 51/96 - £39%
6.1% Uns Ln Sik 95/2000 - £93
Try Group PLC07d 10p - 129 32 4 4
Unigste PLC61% Uns Ln Sik 91/96 - £76
(17My89)
Unigroup PLC67/% Cum Cnv Red Prf £1
- 90 (15My63)
Unigroup PLC7/% Cum Cnv Red Prf £1
- 90 (15My63)
Unigroup PLCAP(4:1) - \$61,5829450
61,6029450
51% Uns Ln Sik 61/2006 - £60

61.602945Ф
SX% Uns Ln Six 61/2006 – 280
S% Uns Ln Six 91/2006 – 281% 2 % X
Union International Co PLC6% Cum Prf
Six E1 – 71
7% Cum Prf Six E1 – 72% 3 (17My58)
Unlays Corp Com Six 55 – 525.32413Ф
Unlays Corp Com Six 55 – 525.32413Ф
Unlays Corp Com Six 59 – 525.32413Ф
Unlays Corp Com Six 59 – 525.32413Ф
Unlays Corp Com Six 50 – 525.32413Ф
Unlays Corp Corp Six 50 – 525.32413Ф
Unlays Corp Six 50 – 525.32 izmyssy sers PLC5% Cum(Tax Free To 30p)Prf Six £1 = 68 Victoria Carpet Hidgs PLCOrd 25p = 1700

7% Cum Pri £1 - 64% (16My69) WCRS Group PLC56% Cnv Cum Red Pri 1999 10p - 105 Wagon Indushial Hidga PLC7-25p (Net) Cnv Pig Pri 10p - 124 (17My89) Walker & Staff Hidgs PLCOrd 5p - 196 (12My88) Walker Greenbank PLC8%% Cnv Cum Red Pri 25p = 100 (15My89) Walker(J.O.) & Co PLCOrd 25p = 475 (17My89)

(17Myss) Walker(Thomes) PLCOrd 5p - 73 5 Warner Holidays Ld6%% Cum Prf £1 - 50 Warmer Holicays Loby & Cum Pri 21 - 20 (17My89)
Warmer-Lambert Co Corn Sitk \$1 - 254% (15My89)
Waterford Glass/Wirld Wedgwood PLC
Units (1 WFG Ord InSUDS & 1 WFW Inc - 73 3 4 4 6 6
Waterfords/fladge) PLC6 %% Cum Red Pri 2006 \$1 - 95 2008 £1 = 95
Waverley Cameron PLC7.5p (Net) Criv
Cum Red Pri 5p = 93 (16My88)
Westland Group PLCWarrants to sub for Ord - 61 7% Cow Cum Pri £1 - 168 (17My69) 7% Deb Sik 87/92 - £87 (16My69) Vintecroft PLC4.1% Cum Pri £1 - 57

(15My89)
Williams Hidgs PLC 10%% Cum Prf £1 = 116 (17My89) Financial Trusts, Land, etc. No. of bargains included 496

Ahmanson (H.F.) & Co She of Corn Stk \$0.01 - \$19% (18My89)
Althen huma International PLC7% (Net) Criv Curn Red Pri £1 - 101 (12My89)
Australian Agnicultural Co LdSA 0.50 - 400 (12My89)
Baillie Githord Technology PLCWarrants to sub for Ord - 14
British & Commonwealth Hidgs PLC 10%% Une Ln Stk 2012 - £82% % % % % % % 3 4 No. of bargains included 496

3 4 Cepital Strategy Fund LdPtg Red Pri \$0.01(Jepen Fund Shs) - 22.973 Ptg Red Pri \$0.01(EmergingMidsFut - \$1.9256 Alien Gitt Income Fd LdPig Red Pri 1p - £3.4 (17My68)
Colonnade Development Cepital PLCOrd
21 - 144 (17My69)
Delity Mail & General Trust PLCOrd 50p - £80 1 ½
EFT Group PLCWarrants to sub for Ord - 14 (16My69)
Exploration Co PLCOrd Sik 5p - 170
(17My69) 1p - £8.4 (17My80)

(17My89) F & C Enterprise Trust PLC Ser 8 F & C Enterprise Trust PLC Ser 8
Warrants to sub for Ord = 118 (17My89)
First Debenturs Finance PLC 11.125%
Severally Glid Deb Stk 2016 = 2103% %
K
Inst National Finance Corp PLC 10%
Subord Une Lin Sitk 1992 = 294%
(15My89)
Forsign & Col Reserve Asset Fund Ld
PtgRedPriS0.05Cl = 28.86 (15My89)
PtgRedPriS0.05Cl = 28.86 (15My89)
PtgRedPriS0.05Cl = 28.86 (15My89)
G.T. Berry Japan Fund Ld S0.10 = 334.27
Greece Fund Ld Sha \$0.01 (IDRs to Br) = 3835%
Crofund Internetional Ld Ptg Red Pri \$0.01

Grofund International LdPtg Red Pri \$0.01 - \$2.492
Hafmis Invest AlcheselskobetRep by 8*She
in denombK100,500,100084000 DK385.3 385% (16My89)
Highcroft Investment Trust PLCOrd 25p 250 \$0
(Bil Globet Funde Ld Ptg Red Prf \$0.01(US\$
She) - \$31.21 (16My89)
Pig Red Prf \$0.01(Managed She) 218.53 (17My89)
Inchape PLC6% Une Ln Sek 87/90 295% (17My89) 124% Uns Ln Stk 93/98 - £100

12% Une Ln Six 3398 - \$100 (164)989)
International City Hadge PLC8% Criv Caum Rad P1 21 - 80 (15M)989)
Inti Stock Exchange of UK&Rep of Intid 7% Mitg Deb Six 90/95 - \$6249
10% % Mitg Deb Six 90/95 - \$6249
10% % Mitg Deb Six 2016 - 29549
Ivery & Stine Atlas FundShe of NPV(Sterling Portfolio) - 103.3 (164)989)
Kleinwort,Benson Int Inc Bond FundLd Pin Rad Pf Inc Inc - \$6,889 (124)4699 Pig Red Pri Inc 1p = 96.889 (12My69) Korea-Europe Fund LdShs \$0.10 = \$52 Shs(IDR to 8r) \$0.10 (Cpn 2) = \$250 375 937 0

rust Gift Fund LdPto Red Prf 19 -Loydstrust Gift Fund LdPtg Rea Pri ip = 59.922 (17My89)
MIM Britanina American Growth FundLd Prg Red Pri ip = 148.4 (15My89)
MIM Britanina Jersey Gift Fund LdPtg Red Pri ip = 17.88 (15My89)
Mercury Offsbore Skerling TrustShs of NPV(Cydrseas Fund) = 118.6 (16My89)
Shs of NPV(European Fund) = 102.9
112My89)

(12My89) ercary Selected TrustSha NPV European Opportunities Fund(Reg) = \$13.06 (16My89) (9) o Cankalåine Tat 2001 PLC inc Shs £1 = 175 |16My89)
MC Group PLCWerrants to sub for Shs
= 104 (17My89)
atlored Home Loans Hidgs PLC Ord 15p - 102 6 7.5% Cnv Prf £1 - 86 6

Old Court International Reserves LtPtg Red Pri \$0.01(Sterling Sha) = 224,867 Portugal Fund Ld Ptg Red Pri \$0.01 = \$7% (12My89) (12My89)
Ouadrant Intercontinental Fund LdShs \$0.10(ml Bond Shs) = \$0.95©
Strata Investments PLCWarrants to subtor of Ord - 47 50 (15My89)
TR Worldwide Strategy Fund Sicar Shs NPV (North America Fund) = 119.32
The Investment Fund Ld Ptg Red Ptd \$0.01 = \$9% (17My89)
Thailand International Fund Ld Ptg Shs \$0.01 (IDR's to Bt) = \$13.9
Thompson Citive Investments PLCOrd 50p = 140©

- 140% Thormon Pacific Investment Fund SAE1 = £10.09 (16My69) 32 PLC7% "A" Deb Six.8992 - £86. _ : (16My93)
7% A Deb Six 81/94 - £88 6% %
(17My69)
9% A Deb Six 91/94 - £91 (12My69)
11% Uns Ln Six 1990 - £88%
(16My69)
talus & income Trust PLC Warrants 59/94
on the Cort - £8

Value 8 Income Trust Planting to sub for Ord - 18
Vanbrugh Currency Fund Ld Ptg "C" Red
Pri 1p - 193.9 Whitpresd Investment Co PLC6%% Deb Six 67/92 - £83 (16My89) Insurance No. of bargains included 778

No. or designs included? Services Inc.Sha of Class C Com Sit \$1 - 21.4% (15My85) Commercial Union Assurance Co PLC 5% Cum Red Pri 89/2009 21 - 54 (16My85) Ecclesestical Ineurance Office PLC 10% Red 2nd Cum Pri XI - 115 (15My85) General Acc Fire&Life Asso Corp PLC 71% Uns Ln Sit 87/82 - 287% 7% Uns Ln Sit 82/97 - 285% Castrides RovelEcchanne Assurance PLC Castrides RovelEcchanne Assurance PLC Guardian RoyalExchange Assura 7% Uns Ln Stk 66/91 - £89%

Investment Trusts · Abtrust New Dawn Inv Trust PLCOrd 25p - 101 % 3

Warrants to sub for Ord - 53 5

Aliance Trust PLC4%% Pri Stk (Cum) - 248% 9% (12M/68)
5% Pri Stk - 256 (17M/69)
4% Deb Stk Red after 15/5/56 - 241
(12M/69)

Uustrale Investment

(12Myd9)
Austrake Investment Trust PLC Warrants
10 sub for Ord – 16
A Warrants to sub for Ord – 5 (16My69)
Batille Gifford Jepen Trust PLC Warrants
10 sub for Ord – 420 (17My89)
Batille Gifford Shin Nepton PLC Warrants
10 sub for Ord – 56 (12My69)
British Assats Trust PLC *A* 5% Prl
Stif(Cum) – 255 (16My69)
Equities Index ULS 2006 10p – 109%
Equities Index ULS 2006 10p – 109%
Equities Index ULS 2006 10p (16My69)

10p(F)/AL-195/89) = 109% (15My69) British Empire Sec & General Trust 10%% Deb Set 3011 = 293 iney Patient Ass Inv TetOrd £1 = 275©
Cambrian & General Securities PLC5%
Cum Prf 21 = 105 (17hb/93)
Capital Gearing Trust PLCOrd 25p = 510
Channel Islande & Intl Inv Trust Ld Pig Red
Prf 1p = 144
City of Oxford Investment Trust PLCOrd
Ine 5p = 58 % 7½ (17hb/93)
Denas Investment Trust PLCWs to
Subscribe for 1 Inc & 1 Cap = 63
(16hb/93)
EFM Dregon Trust PLC Warrants to sub
for Ord = 5 8
English & International Trust PLC5½%

EFM Dregon Trust PLC Warrants to sub for Ord - 5 6
English & International Trust PLC5%% Cun Pri £1 - 63% 10% Deb Six 2014 - 297% 5% (128/y89)
F.& C. Eurotrust PLC5%% Crv Una Ln Six 1996 - 2235 (158/y89)
F.& C. Pacific Investment Trust PLC Warrants to sub for Ord - 105
Fith Throgmorton Co PLC7.25% Crv Una Ln Six 2003 - £102%
Frat Spanish lev Trust PLC Warrants to sub for Ord - 34
Floming Far Eastern lev Trust PLC4%% Cun Pri £1 - 50 (15M/y89)
Fleming High Income liny Trust PLCOrd 25p - 111 1‡ 2 2 % 3 3‡
Ord 25p (With Warrants)
(FpLA-195/88) - 111% 2 % 3
Warrants to sub for Ord - 22 3 % 4 %

Warrants to sub for Ord = 22 3 % 4 % ling Mercantile Inv Trust PLC28% Cum P1 Stk 21 - 40 (12My89)
Fleming Universal for Trust PLCS% Gum
Prf 21 - 57% 5% (12My89)
Gartmore Value Investments PLCOrd 10p artmore Value Investments FLVV - 54% 5 Zero Dividend Pri 10p - 50% 1

Germen Smeller Co's low Trust PLC Warranta to stub for Ord – 72 (17My66) Gauggow Income Trust PLC Warranta to sub for Ord – 11 Globe Investment Trust PLC 10% Deb Sik Globe Investment Trust PLC 10% Deb Sik 2018 – £95% % % % 2018 – £95% % % % 11 k% Cmv Uns Ln 56k 90/95 – £400 Govett Oriental Inv Trust PLC5% Cum Pri Sik – £33 (16My69) Govett Strategic Inv Trust PLC9% Deb Sik 2017 – £924/9 10 k% Deb Sik 2016 – £95% 11 k% Deb Sik 2016 – £95% 11 k% Deb Sik 2014 – £104% Reinvert Charter Inv Trust PLC4% Cum Pri Sik – £68 (12My69) Law Debenture Corp PLC3.85% Cum Pri £1 – £7 (12My69)

\$1 - 67 (12M/95) Lezard Select Investment Trust LdPtg Red Prf 0.1p Global Active Fund - \$10.85 (12M/95) (12My89) Pig Red Pri 0.1p U.K. Active Fund — £10.0499 (12My89) London & St Lawrence investment PLC

\$126%
Soutish National Trust PLC10% Deb Six 2011 - £94% (17My69)
Securities Trust of Scotland PLC7% Deb Six 8363 - £86% (17My69)
Shires investment PLCWarrants to sub for Ord - 85
TR City of London Trust PLC6%
Non-Curn 2nd Pri Six £1 - 72%
(12My69)

Non-Cure 2nd Pri Stx 21 - 14--(12My69)
10% Deb Six 2020 - 294% (16My69)
TR Trustees Corp PLC4%% Cure Pri Six - 250 (12My69)
10%% Deb Six 2016 - 297% X®
Temple Bar Investment Trust PLC7% Cure Pri Six 21 - 85% (12My69)
Throgmorion Trust PLC7% Cure 1st Pri 21 - 85% (12My69)
12 5/16% Deb Six 2010 - 2109 10
Tribune Investment Trust PLC9%% Deb Tribune Investment Trust Pt. Stk 2012 - 285% 50 /antage Securities PLC 8% Deb Stk

96/99 - 284 (16My89) 6½% Deb Stk 2016 - 282% (17My89) Unit Trusts M.& G. American Smaller Co's Fundinc Units - 55.3 (12My89) M.& G.Gold & General FundAccum Units M.& G. International Income Fundinc Units - 68.1 (16My99)

Mines - Miscellaneous No. of bargains included 248 Amalgameted Financial Invs PLCWerrants to sub for Shs = 5 Angle United PLCCrv Red Prf 10p = 86 chi Mining PLC 10p - 54 5 Beers Consolidated Mines Ld 40% De Beers Consolidated Mines Ld.40%
Cum Pri RS: (Br) (Cpn R9) - 310
Did R0.05(8) (Cpn R9) - 14.45
B Ord Mining&cyloration Co PL.COrd
10p - 380 (17My89)
Europe Minerals Group PLCOrd 2p - 112
RTZ Corporation PLC3.225% "A" Cum Pri
21 - 45 (17My89)
9%% Uns Ln Stk B5/90 - 291%
Willoughby's Consolidated PLCPid 1p 85

Zambia Consolidated Copper Mines Ld"B"
Ord K10 - 100 15 Mines - South African Barnato Exploration LdOrd R0.01 - 50 6 (12My69) Lebowa Pisthum Mines Ld Ord R0.01 m Reefs Gold Mining Co LdOrd

R0.01 - 25 7 Oil. No. of bergains Included 1956 British Petroleum Co PLCOrd 25p(Interior Corts).—284 4 5 % 8 7 ... 1 ; 9% Cum 2nd Pri Si = 90 ; Burmath Oil PLC7% % Cum Red Pri Sik Si = 70 ELF UK PLC12k% Uns Lri Sik 1991(Regi = \$100 1 Enterprise Finance 1989 PLCUnits Ver Call CULS 1989 (Ptly Po)(Reg) = 312 2

5 London & Scottish Marine Oil PLC 10%% Deb Sit 2009 = £94% \$\oldsymbol{\Phi}\$ Mobil Com Sits of Com Sits \$2 - £29.55 \$ 49% (12My89) Shell Transport&TradingCo PLCOrd Shar (Br) 25p(Cpn 182) - 397 400 (17My89) Property No. of bargains included 634

Allied London Properties PLC10%% 1st. Mig Deb Six 2025 - £96% (16My89) New 10%4 1st Mig Deb Six 2025 -Mig Deb Str. 2025 - 1995; (1984/99)
New 10 5% 1st Mig Deb Sit 2025 - 1995; (1884/99)
Artington Socurities PLC99% Curn Red Pri 2008 21 - 103 (1284/89)
Armdele Property Trust Lidek% Uns Ln Sit 84/89 - 195% (1784/89)
British Land Co PLC 105% Did 1st Mig Deb Sit 2019/24 - 293% 4% (1284/89)
Sit 2057 - 192% 3; (1784/89)
93% Uns Ln Sit 91/96 - 193
Charchtury Estates PLC95% Uns Ln Sit 2000 - 123 (1684/89)
Caligion Corribined Sees Ld85% 1st Mig Deb Sit 80/91 - 195 (1784/89)
Dans Sit 80/91 - 1950 (1784/89)
Dans Estates PLC775% Cny Curn Red Pri 21 - 105 67

Creigion Corabined Secs L08% 1st May Deb Six 60/91 - 290 (17M/9%) 1st May Deb Six 60/91 - 290 (17M/9%) 1st May Deb Six 2012 - 253® Great Portland Estates PLC9.5% 1st May Deb Six 2015 - 253® Great Professor Co PLC95% Red Crv Uns. Ln Six 1995 - E11% (15M/98) Greycost PLC95% Curn Red Pri 2014 21 - 103 3 12.85% Uns Ln Six 90/92 - 2100% (16M/98) Hammerson Prop Inv&Dev Corp PLCOrd 25p - 243% Curn Crv Red Pri 21 - 74 5 Lnd Securities PLC95% 1st May Deb Six 83/98 - 274% (16M/98) 75% 1st May Deb Six 93/98 - 274% (16M/98) 75% 1st May Deb Six 93/98 - 274% (16M/98) 75% 1st May Deb Six 93/98 - 2535 (17M/98) 65% 1st May Deb Six 93/98 - 2535 (17M/98) 75% 1st May Deb Six 93/98 - 2535 (17M/98) 75% 1st May Deb Six 93/98 - 2535 (17M/98) 75% 1st May Deb Six 93/98 - 2535 (17M/98) 75% 1st May Deb Six 93/98 - 2535 (17M/98)

7%% 1st Mtg Deb Str 91/96; - 283%; (1734/96)
9% 1st Mtg Deb Str 96/2001 - 280%; 6%% Uns Ln Str 92/97 - 289
8/% Uns Ln Str 92/97 - 286
7 London&Prov Shop Centres@#606/PLC
10% 1st Mtg Deb Str 2028 - 231% %
London County Free, & Less, Prop8/%
1st Mtg Deb Str 86/95 - 280 (1774/98)
Lynton Property&Reversionery PLC 10%%
1st Mtg Deb Str 2077 - 293% (16M/98)
MEPC PLC9%% 1st Mtg Deb Str 97/2002
- 294% - 294% 10%% 1st Mtg Deb S& 2024 - 2103 8% Une Ln S& 2000/05 - 277% 8 8 10%% Uns Ln S& 2032 - 293% %

10% Urs L1 St 2022 - 250 M 7 (16My60) 6 1% Chy Une Ln St 95/2000 - 2163 8 Merim international Properties Ld Curr Red Chy Pf 21 - 73 (17My80) P & 0 Property Holdings Ld 5% Une Ln St 97/99 - 280 (15My60) Peat Holgs PLC 10% Curr Pf 50p - 61 (15My60) S.25% (Net) Chy Curr Non-Vig Pf 21 - 103% (17My60) 103% (17My89) 9%% 1st Mtg Deb Sik 2011 - 291 % % (16My69)(16My69)Property Security Inv Trust PLC9% Cum
Pri 21 - 29 (12My89)
Regis Property Hidgs PLC9%% Gtd Ums
Ln Skt 1957 - 255 (12My83)
Scottish Metropolitan Property PLC10%%
1at Mig Deb Stk 2016 - 254%
Thansis Company PLC25p - 290 330
(15My83) (16Mys9)
Tops Estates PLC:10K% 1et Mtg Deb S6k
2011/16 = 293KΦ
New 10k% 1et Mtg Deb S6k 2011/16 =
293KΦ Town Centre Securities PLC8% Chy Uns Ln Stt 90/2000 - 2270
Trafford Park Estates PLC11%% 1st Mig Deb Sik 2007/10 - 2103% (12My89)

Plantations No. of bargains included 14 Angio-Eastern Plantations PLCWarrants to sub for Ord – 26 7 6 (16M/95)
Beradin Hidgs PLCSp – 45 (16M/95)
Chillington Corporation PLCWarrants to sub for Ord – 43 (17M/95)
6 % Cum Rido Pri EL – 36 (16M/95)
9% Crw Uns Ln Std. 1995 – £130
(15M/95)
Duntop Plantations LdSv. Com Sef et – 50 0.15My89)

Dunitop Plantations Ld8% Cum Pf £1 – 60 (18My89)

Hidong Estate PLC Ord 10y = 94.5 (17My88)

Inch Kennetir Kajang Pubber PLC 10p – £3% (17My89)

Jitre Rubber Plantationa PLC Six 10p – 57 6 (12My89)

Shipping No. of bargains included 335 Borgesen d-y AS-B' Non Veg She MKS = NKS11
NKS11
NKS11
NKS12
NKS 2555 3: 7 6 8 34
4 5 6 6 2555 3: 7 6 8 34
Peninsular & Oriental Steam Nev Co 5%
Cum Pid Six = 248 (1834)483)
Werrands to purchase Did Six = 201

Berton Transport Published
(12M/98)
(12M/98)
CSSC Ld Equity Ru10 - 35
Manchester Ship Cenal Collet 31% Perp
Mig Debs(Reg) - 237 (18M/98)
Mersey Docts & Harbour Co6%% Red
Deb Six 94/97 - 272 (16M/98)
6% Red Deb Six 96/99 - 272
US WEST Inc Six of Com Six of MPV 239.55 (15M/98)

Water Works No. of bargains included 1 No. of Dargary Maser Co 5% Red Deb Sik S6/91 - 286 % (15My69) Seat Surrey Water Co 5.6% (Foxy 8%)Red East Surrey Water Co.5.9%(Fishy 8%)Red Pri Str. 62/94 - 290 (16M/99) Essex Water Co.5% Deb Str. 86/91 - 680 (16M/98)

(12My89) 4.9%(Fmly 7%)Ord St. Class 8 - £850 (16My89)

USM Appendix BLP Group PLC 8p (Not) Cnv Cum Red Pri 10p - 110 (16My69) Bormore International PLC Ord 10p - 122

Pri 21 - 110 1

(16k/y86)

Xira-Vision PLCOrd ir20.05 - IEO.8

New Ord tr20.05 (Fpl/A-28/5/89) - IEO.8 p 73

Yelverton investments PLC8% Cnv Uns
Ln Sk 1987 - E83 (16k/y86)

York Trust Group PLC Red Cum Cnv P1 20p = 88 · No, of burgains included 340

Rule 535(2) African Gold PLCOrd To 2001 0.105 = 22.175 (15My68) on Street Breweries Co LdOrd E1 = £10.3 £10.3. " errington Management(Cf)International Income = 21.89 Berwick Group PLC Ord 5p - 20:36 0:37

Utilities No. of bargains included 31 Berron Transport PLCDfd 160p - 525

(17M)69)
Warrants to sub for Ord = 1020
Warrants to Sub for Ord = 1020
Flohmansworth Water Co 2.8%(Fmby
4%)Cons Pri Sik = 270 (164)693
South Stationdshine Waterworte Co
4.8%(Fmby 7%)Ord Sik Class A = 2850 (15My89)
Tendring Hundred Waterworks Co71/1/4
Red Deb Stt 61/93 – £84 (16My88)
York Waterworks Co Cons Pri Stk(4,2%,
Max Fmly 8%) – £52 (12My89)

10p - 110 (16My99)
Boomore International PLC Ord 10p - 122
6 6 7
Capits Group PLC Ord 2p - 145
Cityvision PLC 8.5%(Net) Cnv Cure Red Pri
£7 - 162 (17My89)
Darby Group PLC Ord 5p - 170
Dewey Warren Hidgs PL CVar Russ Cnv
Uns Ln 5kt 1995 - 198
Diamond Group Holdings PLC Ord 5p - 88

Summond Group Holdings PLC Ord 5p = 88
9
9
Gibbs Mew PLC Ord 25p = 285
Great Southern Group PLC8.75p Cum Crw
Red Pri 5p = 85 (16NA)68)
Grean (Jobn) & Son PLC Ord 10p = 116
Guidehouse Group PLC Sip (Net) Crw
Cum Red Pri 2006 50p = 21.02
Heavitree Browery PLC Ord 25p = 210.8 £
10.7 (16Ny69)
74 Lim Vrg Ord 25p = 210.3 £ 10.4
(15Ny69)
box Holdings PLC Ord 10p = 174.7
Kunick PLC 7p (Net) Crw Cum Red Pri 5p
= 135
Memory Companier PLC 7.6% Crw Cum

- 135
Memory Computer PLC 7.8% Cnv Cum
Rad Pri 94/98 irSt - 190
Porth Group PLC Ord 5p - 107
Cuerte Group incShs of Com Six 50.10
(Rest. Transfer) - 188 9 (17My99)
Cultique PLC Ord 5p - 86
Flandaworth Trust PLC 7% Cum Cnv Red Pri 21 – 110 1
Savage Group PLC 8.5% (Net) Cum Red
Criv Pri 21 – 109 7 (16My89)
SelecTV PLCOrd 1p – 16%Thorpas Group PLCBp Criv Red Ptg Pri
2001/05 50p = 100
Total Systems PLC Ord 5p – 48 (17My89)
Visted Group PLCOrd 1p – 27 6 9
8.5% (Net) Coir Cum Red Pri 21 – 148
115My890

The Third Market Appendix

Pro, or pargains included \$40

Bedeenham Group PLC Warrants to subfor Ord = 39 (12My89)

Edinburgh Hibernham PLCOrd 2p = \$8

Kromegraphic PLCOrd 5p = 19

Warrants to sub for Ord of 6p = 7

Mataya Group PLC Ord 10p = 48 (16My89

Medirace PLC Warrants to sub for Ord =
173 45 75 6 9%; \$0 2 3;

Poddington PLCOrd 5p = 81% 2 % 3 3;

\$4; 4

89) westment Co(Alderney)t.d Ord 25p 61/My89) (17My89) parraum PLCOnd 10p - 20.7-0.88

Channel Islands Conts (TV) LeOrd 5p = 50.73 (1914/85) Constar Trust LeOrd 25p - 50 84 EU./3 LTMS LdOrd kap Consists Trust LdOrd kap (17%/98)
Crosley Group PLCOed 2.5p = £0.21
Crosley Group PLCOed 2.5p = £0.21
Dark Valley Light Railwey Ld Ord £1 = £3.8
(12%/98)
Crosson(Milliamid-Ridge Ld Ord 10p = £3% Dawson(Villiam) lidgs Ld Ord 10p = 23 (17Ah)65) De Gruchy(Abrehem)& Co Ld Ord ST = 5150

E150 Douglas Gas Light Co LefOrd £1 - £4 (16kh/69). Finance Land & General Hidge PLCOrd 5p - ±0.05 (16kh/69). Frecericks Place Hidgs PLC Ord 20p -20.08
General Portions Group PLCOrd 5p 22% (15My89)
General Explorations PLCOrd Int 22 1/2
— 120.49 0.5951 p 37%1 6%2 9%3 40 40: Peristar Hotels PLCOmi 10p - 20.66

20.17©
MIM Britannia International Ld.Japen
Income & Growth - £2.248
Manx Patroleum PLC Ord £1 - £0.17 0.16
(153/y65)
North West Exploration PLC Ord 20p 450 45t Object Resources PLCOrd 80.05 - 43% % 4 % 15t St. Paramount PLCOrd 2.5p = \$0.165\(\theta \) 0.1675\(\theta \) Personant PLCOrd 2-pp - 10: 10:00
Q.1675@[Interpool)Ld 21 - 23.14
(15MyS9)
Park Estates[Interpool)Ld 21 - 23.14
(15MyS9)
Rangers Footbalt Cuts PLCOrd 21 - 232
(15MyS9)
Report Beschrolies Group PLCOrd 5p - 20.06 (17MyS9)
Rottechiad Continuations Ld Cum 2nd Pri 10p - 21.65 1.65 (16MyS9)
Sevent Valley Ratherey(Bdgs)PLCOrd 21 - 20.7
(16MyS9)
Seymours Ld4% Cum Ptg Pri 21 - 20%
(15MyS9)
Sephend Neame PLC"A: Ord 21 - 26.9
Southern Navwenpaces PLCOrd 21 - 23.2
Spencest/Aberdeen) PLCOrd 25p - 20.67
Sun Oll Brustel LdOil Royally Six Units 1p - 20.7 (17MyS9)

Sia Ot British Later Property - 20.7 (1774)65) Inwalter(Daniel)5 Co PLCOrd 25p - 22.85375 (1214)69) Earnest Later Pic Pic Ord 50p - 25.49 53.10 #3.10 Weeksbir Ld-A* Non-V Ord 25p - £5.40 Yesse Bros Wine Lodges PLC Ord 25p - £2 x [1694y89]

PULE 535 (4) (a) Bargaina marked in securities where principle market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List. Aberdale Cables Africa £1.75
Ampol Exploration ASI 8446 (17/5)
Asst. Foundation for 63, 5 (17/5)
Borat Ord. Sit. £1.62, A33.6
City Developments \$54, 38251, 31102, 19
Cons. Exploration 5 (15/5)
Cons. Gold Mining Areas 3.5 4
Cultus Resources 18 (15/5)
Olyicon into 0.028 4
Grat Victoria Gold 5.5 (17/5)
Highweld Steel & Vanadium \$4.5, 544 (15/5)
Hollinger Int. £7.15 (12/5)
Hunter Resources A\$0,1425 (17/5)
Jardine Matheson Finance Warrants 42 (12/5)

Jardine Mattheson Finance Warrants 42 (12/5).
Seri Corp 78 e (16/5)
Killinghall Tile (Malaysta) Berhad Ord
M53,502 (16/5)
Kulim Malaysia Ord 34 (15/5)
Kulim Malaysia Ord 34 (15/5)
Kulim Malaysia Ord (Malay Reg) 34 (17/5)
Malaysia Airibe System M57,9285 (16/5)
Malaysian Pismatlons 67 e
Mogur Minlog ASO, 16 (17/5)
Mount Carrington Mines 48 (16/5)
National Electronics (Consolidated)
HX50,99934 (17/5)
Mount Carrington Mines 48 (16/5)
National Electronics (Consolidated)
HX50,99934 (17/5)
New Zealand, Soddileda MZ50,08 (12/5)
New Zealand, Soddileda MZ50,08 (12/5)
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OII Search 33, 4
Oversess Chinece Banking Corp Sa10,2561,
27935 e
Regal H0481s (indigot 12/5, AS2,52341 (16/5)
Seaguil Enercy Corp E11,5 (16/5)
Seanguil Enercy Corp E11,5 (16/5)
Selangur Properties SS1,8078 (17/5)

Selangor Coconuts 47 & (16/51) Selangor Properties 551, 8078 (17/5) Sleganore Land 5511, 76583, 12,0113, 1 Southwest Gold mines 1.5, A\$0.031 (17/5) Target Resources 17 + (16/5) Westfield Minerals C51.4, A5 + 68 (12/51) Winsor Industrial 69 HK\$10,75861

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BELGIUM

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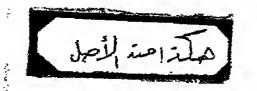
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FINANCIAL TIMES

War of States

المكتراصة المرصل



LONDON STOCK EXCHANGE

Equities close above FT-SE 2,200

IN A further display of confidence the UK stock man-ket rose sharply in heavy trading yesterday, closing above the FI-SE 2200 mark for the first time since October 1987, despite had news on domestic inflation which inevitably revived worries over UK hase

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Something akin to a buying panic developed when the FT-SE Index challenged the 2,200 mark as the market moved into the new equity market Account. Market makers have become very short of stock as equities turned ahead this week, withis fund manager. this week, while fund manag-ers, often still under-weighted in equities, feared missing out

-	- Account	Dealle	Dutes
*	National States	May 22	Jun 5
•	May 76	Jan J	
Le	May 19	Jan 2	Jun 18
7	May 30	Jun-12 -	Jun 26
7	Tr Time death		place from

on the market rise, as indeed many of them did when the market swong higher in Janu-

the market stepped off on the wrong foot yesterday after the rise in the underlying rate of demestic inflation to 8 per cent had been accurately pre-dicted overnight. Share prices

some houses taking the view that the Footsie Index would stay short of the 2,200 mark. Nevertheless, when the infla-tion number was confirmed, the market consolidated its gains. Comment on the RPI details from City analysis were almost universally bearish, with several houses, including Prudential Bache, upgrading

at the year end. Nervousness over UK base rates in the run up to the April trade figures, due next Thursday, revived, with more UK houses prepared to hint that 14

forecasts for domestic inflation to a peak of 8.5 per cent this year and a level of 6.5 per cent

However, the final buying fling saw traders apparently-throwing caution to the winds, and many fund managers were drawn into the maelstrom, despite their own misgivings.
Although prices boiled over briefly, the market revived to pound ahead until the close of

trading.

The final reading showed the FT-SE Index at 2,204.7, a gain on the day of 27.4 points. Seaq volume jumped to 855.8m shares from Thursday's 539.9m. London's equities have risen sharply over the past three trading sessions as the Bundesbank's decision to hold interest

per cent base rates may still be rates unchanged, together with improvement in the US trade figures and also data on UK wages and unemployment, have soothed fears that the dollar's strength might force interest rates higher in Europe. Some strategists believe that despite yesterday's data, UK inflation is now near its peak and that the stock market is beginning to foreshadow better news later this year.

The two week trading Account has seen a rise of 71.9 points, or 3.37 per cent, in the FT-SE Index, which has moved to successive post-Crash highs. and may now fix its eyes on 2,301.9, the closing level on the eve of the October 1987 Crash.

A shortage of stock became more acute as the session wore on and triggered the latest on and triggered the latest steep gains in share prices, although these came off their best levels at the very end of the day, Nevertheless RMC dis-played a 31 leap to 810p, Red-land jumped 23 to 630p, Blue Circle raced up 22 to 601p, Costain advanced 23 to 369p and John Mowlem added 17 at 471p. Other good gains included Tar-mac, where turnover of 8.4m was the higgest in the sector, with the shares closing 21 up

at 356p.
The plant hire companies maintained their recent strength with Vibroplant 37 higher at 247p ahead of Tuesaday's figures. Hewden-Stuart, still boosted by the bullish statement at the agm, jumped 10 to 167p. British Dredging, buoyed by recent news of the property revaluation shot up 6 more to 190p.

Chemical shares attracted big buying across the board with Caird Group settling 30 ahead at 510p, a massive 66 up on the week. The week-long unsurge in Rechem was halted by a bout of profit-taking which lowered ther share price

28 to 665p.

Demand for Stores was heavy throughout the day. "New-time" huying helped Marks & Spencer add 6 at 198p on turnover just short of 7m shares, Burton climb 7 to 239p and Sears add 31/4 at 127p as nearly 5m sbares changed hands.

Next were also a firm market, rising 6 to 158p following the sale of its Dillons and Preedy chain of newsagents to T&S Stores for £54m. T&S is raising the bulk of the money via a rights issue, and the shares, currently suspended at 143pm, will resume trading on

tine 6.

The electronics arena a gain of 48p. British Telecom

FINANCIAL TIMES STOCK INDICES **Compliation** Year 16 High 19 15 17 15 Ago High 127,4 (9/1/35) 49.18 88,60 Government Secs 88.70 (3/1/75) 97.31 97.03 97.34 97.35 97.44 98.38 105.4 50.53 (28/11/47) (3/1/75) 1447.8 1926.2 49.4 (3/1) (16/7/87) (26/6/40) 1792.2 1778.2 1787.2 Ordinary 1837.5 1810.1 1837.5 154.7 734.7 43.5 (17/2) (15/2/83) (26/10/71) 168.8 175.0 179.4 178.3 Ord. Di. Yield
Earning Yid %(hull)
P/E Ratio(Net)(*2)
SEAO Bargains(5pm)
Equity Turnover(fm)t
Equity Bargains†
Shares Traded (ml)† 4.41 4.45 4.39 4.63 10.74 10.84 10.74 12.01 11.28 11.13 11.23 10.20 28,528 27,649 29,764 29,713 1342.01 1084.20 1204.85 1276.24 51,345 31,338 32,488 30,862 479.1 394.7 445.5 455.1 @ S.E. ACTIVITY 4.29 10.44 11.55 10.63 11.35 32,161 1551.78 May 18 May 17 Indices 43,470

TRADING VOLUME IN MAJOR STOCKS

Ordinary Share Index, Hourly changes Opening 010 am 011 am 012 pm 01 nm 02 pm 03 pm 04 pm 18122 1821.1 1821.8 18199 1825.0 1826.6 1831.3 1832.6 Besis 100 Govl. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, ANG 11.45 (Excluding Intra-market business. DAY'S HIGH 1837.5 DAY'S LOW 1211.8

35,833 651.2

Olit Edged Bargains 102.8 111.0 Equity Bargains Equity Value 228.9 S136.6 2712.6 5-Day average Gilt Edged Bargains 104.3 Equity Bargains 208.6 Equity Value 2600.5 2600.5 2446.5

Japanese favour Ladbroke

Hotels group Ladbroke enjoyed a substantial double-figure rise for the second day running as the shares closed 18% firmer at 524% on turnover of 6.4m. Although there has been speculation in the market that Ladbroke in the shares and the closest speculation in the market that Ladbroke in the shares and the closest speculation in the market that Ladbroke in the shares and the closest speculation in the shares are shares as the closest speculation in the shares are shares as the closest speculation in the shares are shares as the closest speculation in the shares are shares as the closest speculation in the shares are shares as the shares are share tion Texas Homecare, the stock has drawn its real strength from the consistent demand

Analysis were united in rub-bishing the Texas sale rumours highlighting instead the fundamental attractions of the group. It appears that UK institutions have been reluc-tant to take on more Ladbroke stock because they believe the price has little upside after the recent rises. In contrast, for-eign institutions are more awake to the fact that the stock remains undervalued, say analysts. There's a recognition from abroad that Lad-broke is very cheap," com-mented Mr Ron Littleboy of

Nomera Research.
Another researcher of the stock, Mr Paul Slattery of Kleinwort Benson, noted in his. latest monthly review of the hotels business that current exchange rates are benefiting the UK tourist industry, that there is strong rooms usage growth in the provinces, and that the English Tourist Board expects a sizeable increase this year in the number of domestic consumers taking holidays in the UK. These factors make a: strong case for favouring the hotels sector as a whole, and

The efforts of Bosse Massimi the shares finally a fraction Politit (BMP) to avoid the sheed at 250p. clutches of French group BDDP seemed bound for suc-cess after Omnicom, the fourth largest US agency, stepped in as a friendly bidder. For the past fortnight the market has speculated that the US house night prove to be the white knight. Omnicom's terms of 365p cash per BMP share, with a loan stock alternative, are recommended by the board of

British Funds Comparations, Dominion and Foreign Bonds

This corrects figures published in yesterday's edition.

Corporations, Domesics — Industrials Financial and Properties —

the UK company and compare with BBDP's recently increased hid of Man cash. A scramble ensued for BMP shares as Omnican acquired a stake of 7% per cent (2.5m shares) with most of the business being done by BZW. When the mice settled at 25% m 23. the price settled at 368p, up 23, volume had reached 4.3m shares. Few buyers were prepared to pay more than 365p, indicating that Omnicom may have delivered a knockout blow, nothwithstanding BDDP's defiant statement. "We

have a thousand options on the table and we are considering all of them." all of them."
Moreover, the market doubted the ability of BDDP to finance any constraint above Ominicom's terms. "It is more likely to take the nice profit on its 15.2 per cent stake, said a marketmaker.

Premature figures Pleasey attracted the lowest

turnover of the front-line electronics stocks — only around 3.4m shares changed hands — but there was considerable speculation aroused by news that the company has brought forward its preliminary figures to Monday. The results were originally expected around mid-June. Plessey shares

Closed 2 better at 265p.
The range of City forecasts is from £187m, to £210m, compared with last year's £172m.
Dealers and analysts talked of the Hisely-level at which GEC and the partner. West Geometric City and the partner. and its partner, West Germany's Siemens, would renew their bid interest, given agreement between the two companies and the Ministry of Defence over the pre-conditions for the bid to proceed.

The majority of analysis are looking for the bid to be renewed at a price of around

Ladbroke in particular, says

Ladbroke in particular, says

Ladbroke in particular, says

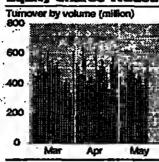
Laborated in particular, says

Lab as with 6.7m traded and

> Lonrho shares firmed immediately after announcement of the half-yearly profits only to slip back as the market took a sup pack as the market work a second, closer look at the figures. After stripping out the exceptional items, a leading analyst described the profits as "pretty pedestrian" and proceeded to shave his full-year estimate. The only redeeming feature; he said, was the RISES AND FALLS/THURSDAY

FT-A Ali-Share Index 1100

Equity Shares Traded Turnover by volume (million)



increase in the dividend to a level which few expected, and this should give the stock yield support. Lonrho shares closed 3 better at 285p, after 295p. Blue Arrow suffered from

the disclosure that a further provision of £17.8m had been set up in connection with the loan made to Chamrock, The circular listing the awaited details of the Canvey Island affair triggered fresh selling of the shares, which ended down 2 at 98%p after turnover of 7.4m. But researchers gave the company credit for bringing the bad news into the open and trying to be as clean as possi-

Many dollar-earning and other Alpha stocks performed brilliantly with British Aerospace soaring 22 to 669p and

CANADIANE (10) ERECUEN (5) SUR CANADIANE (10) ERECUEN (5) SUR

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NEW HIGHS AND LOWS FOR 1989

MRS (6) SUNDERS

RISES AND FALLS

Trafalgar House rising 12 to 396p. NFC, which reported extremely good interim figures on Wednesday, charged ahead 16 to 264p while Granada jumped 10 to 360p. Siebe rose 22 to 522p on heavy buying from Kleinwort Benson but the day's most active stock was easily British Steel, 2½ higher at 92p after volume of 25m shares. Continuing speculation over the share stakes held by ADT, Mr Holmes & Court and the Wallenberg family raised Christies International 63

more to 1105p.

A large seller of Lloyds kept the banks' shares under pressure for much of the day before a late run left them 2 harder at 355p on turnover of 5m shares. Action in the insurance sector was generally confined to the sector liners and especially to London United which suddenly simmed to around the 45p mark around midday on a flurry of selling pressure. There was a momentary backvariation in the stock which later picked up to close a net 10 off at 550.

Brewers were cheered by hopes of a compromise over the MMC restructuring recom-mendations, with once again Bass and Allied Lyons to the fore, up 21 at 978p and 14 at 471p respectively. Whitbread, where some brokers are recommending investors to sell the stock, improved only 2 to 363p. Scottish & Newcastle continned to rise - up 9 at 317p - on hopes that Australian group Elders IXL will soon sell part of its 23.6 per cent stake to a possible bidder. Shares at the heavy end of

the building sector spiralled upwards in the wake of the Government's White Paper on expenditure on roads which at £12bn was said to have exceeded the most optimistic

** Bus. Grp., 7 & N. Yeck, Project Serv., Wedgeman Partnership, Wildes J.J., Wynchers Grp., Steam Partnership, Wildes J.J., Wynchers Grp., Steam Partnership, Wildes J.J., Wynchers Grp., Lincoln Net. Corp., LESSIFE (19 MOTORIS (1) Quicks Grp., NEWSFAPERS (19 PAPERS SE SENTERSHIP OF SENTERSHIP OF

(1) Culcius Grp., Newspaperis (19) PAPERS (9) PROPERTY (9) SHEPPING (4) SHOES (1) Headlam Siras, TOBACCOS (1) Podemicus, TRASTE (45) CH.S (6) OVERREAS TRADERS (7) Indraps, SMES (1) Kennars, THOSO MARDER (5), MEST LOVING (47), CANADIANS (3) SEASON (1) HARDON, WILL DENIES (3) CENTER (3) Contast Rose.

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On the week

147

45 704 2,495 334 1,031

956 613 1,363 4,689 2,965 7,021

287

103

On Friday

0 63 72

The following is based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 5 pm.

stocks - with activity in excess of 10m shares apiece common to British Telecom, at 276p. Stories of imminent joint ventures concerning STC, with

outstanding performers for many weeks, leapt 14 to a year's best of 520p. Dealers noted plenty of traded options business in Electronics as well as renewed and vigorous demand for the ADRs. Racal Telecom, again in much thinner business totalling less than 1/2 shares. climbed 19 more to a record 467p. Cable & Wireless, the market's star performer on Thursday, took more of a back-seat as profit-taking saw the share price stall and close a couple of pennies off at 578p —

20.04 19.43 16.17 17.16 16.78 15.55 14.65 13.69 12.63 12.14 10.74 10.54 9.38 7.49

APPOINTMENTS

Cahle & Wireless and Racal

Electronic, as well as 6.3m in STC and the same amount in

Ferranti. Racal Electronic's

turnover topped 12m and the

shares, among the market's

included the market's biggest restrained by some hefty sell-concentration of turnover ing and switching ahead of the June 1 figures, were a shade off

> particular emphasis of the ICL subsidiary, refused to lie down and STC shares, up 18 on Thursday, jumped another 19 Engineers closed markedly firmer, with Rolls-Royce up 8 firmer, with Rolls-Royce up 8 at 197%p on turnover of 10m shares and Hawker Siddeley 20 higher at 753p; both were aided by the strong dollar. Vickers rose 16 to 214p on press reports that the company is planning a major reorganisation of its core

In the eyes of the market the leading Food manufacturers are well and truly in play as bid targets, Takeover specula-tion surrounded: United Blacuits, up 17% at 368p on vague talk that Swiss group Jacobs Suchard was building a stake; Unigate, up 14 to 380p on hopes of a bid from Mr Larry Goodman, the Irishman with 8 per cent; and Dalgety, a massive 22 higher at 386p as dealers await news of more buying by Mr Robert Holmes a Court, the Australian entrepreneur who has built up a 5.3 per cent hold-

ing.
There was also nothing stopping Ranks Hovis McDoogall, a further 14 better at 448p following Thursday's news that Sir James Goldsmith, Mr Jacoh Rothschild and Mr Kerry Packer had bought nearly 30 per cent of the company. Courtaulds had another out

standing day, gaining 8 to 344p in volume of 3.8m shares. Sterling/dollar considerations continued to be the main stimulant, although some investors were hoping the group would report profits higher than the market range of £190m to £200m next Wednesday. Other market statistics,

including FT-Actuaries Share Index, Page 9.

LEADERS AND LAGGARDS

Percentage	changes sind Thursda	e December y May 18 198	30 1988 9	based	on
ncies	+ 35				

A 1-1-1-10	22,740	CONSURIOR CHOOP	
#1500ft+		Stores+	
uliding Materials+	31.46	Brewers and Distillers +	
ectronics+	27.95	Oil & Gas +	
echanical Engineering +	27.89	Telephone Networks+	
with & Household Products +	27.39	Textiles +	
+ steurTrusta	27.07	Contracting, Construction +	
++		Food Manufacturing +	
epital Goods+	29,24	Insurance(Life)+	
ther Industrial Materials +	25.72	Banks +	
ectricals+	25.24	Insurance(Composite)+	
her Groups+	24.59	Mining Finance +	
otors +		Financial Group+	
SUITE +	24.48	Property +	
ed Retailing+	24.07	Publishing & Printing+	
fustrial Group+		Insurance(Brokers)+	
emicals+	23.07	Packsping & Paper +	
C Share Index+	22.48	Oversees Traders +	
stale & Metal Forming +	21.96	Gold Mines Index+	
Shere Index+	20.69	Merchant Banks +	

BENCHMARK GOVERNMENT BONDS

		Сопров	Onto	Price	Change	Yield	Bgo	ago
UK GILTS		13.500 9.750 9.000	9/92 1/98 10/08	106-25 97-02 97-16	-2/32 + 1/32 -2/32	11.00 10.27 9.28	10.94 10.23 9.25	11.02 10.25 9.30
US TREA	SURY .	8.875 6.875	2/99 2/10	100-16 101-22	+3/32 +22/32	8.75 6.71	8.85 6.85	9.08
JAPAN	No 111 No 2	4.500 5.700	8/98 3/07	95.3566 105.8021	+0.149 +0.196	5.36 6.06	5.36 6.06	5.22 5.02
GERMAN	Y	8.375	11/98	96.2000	+0.050	7.07	7.06	6.85
FRANCE	BTAN OAT	6.000 6.125	1/94 5/99	96.5220 95.5750	+0.184 +0.350	6.92 8.80	6.93 6.83	8.93 8.70
CANADA	•	10.250	12/98	103.0000	+0.750	9.76	9.84	10.20
NETHERL	ANDS	8.7500	10/98	95.5250	+0.325	7.42	7.35	7.05
AUSTRAL	JA	12.000	7/99	01.2214	-0.199	13.60	13.37	13.55
London o Yields: Lo	losing, *c	denotes No ot standar	w York	morning s Prices: U	ssion S, UK in :	32nds., c	others in	decima

Technical Data/ATLAS Price Sou

COMMODITIES

WEEK IN THE MARKETS

Lead shines among dull metals

LONDON'S COMMODITY run of weekly rises, amounting scene had an unfamiliar look in all to a gain of £45.50 a scene had an unfamiliar look about it this week with lead outshining the other base metals and coffee turning in the strongest performance among the "softs"

Lead had been the Cinderella market of the London Metal Exchange as other metals took turns in the limelight over recent months. While copper, zinc, nickel and, to a lesser extent, aluminium all enjoyed their moments of glory, lead had stayed shyly on the aide-lines with the cash price remaining below the 2400 a torne level reached briefly in mid-December.

One reason for that was the generally mild winter, which meant that demand for replacement batteries was unusually low. But analysts are nowpointing out that a low level of battery replacements also mesos a reduction in so-called "secondary" supplies of lead, reclaimed from discarded betteries.

At the same time guerrilla activity in the Andean region of Peru is seen as a potential threat to primary lead sup-

The net result has been a rise on the week of £15 to a 19-month high of £412 a tonne in the LME cash lead price. That completed a four-week

At the other end of the scale At the other can of the scale
LME nickel prices continued to
lose ground. A \$250 fall yesterday left cash nickel \$1,250
down on the week at \$13,000 a torne as demand for the metal remained conspicuous by its absence and dealers began to take more account of the fact that, even at current reduced levels, nickel prices are nearly double average production

Physical demand for the metal in the second quarter of 1909 has been less than some analysis had been predicting, while there has been little sign of producer support buying.

Copper began on an equally weak note, with the LME's cash quotation losing £77.50 a tonne in the first two days of the week. Sterling's decline against the dollar helped to buoy the market later, but after falling £26.50 yesterday cash metal still ended £57.50 down on balance at £1,642.50 a

Even Wednesday's news of a production halt at Bougainville, the biggest copper mine in Papua New Guinea, failed to hring a positive response from a market which has seen stock levels rising inexorably. At 135,650 tonnes LME warehouse stocks are now at the highest level for two years and double the level at which they started

For aluminium, a series of relatively modest falls added up to a \$185 decline on the week at \$2,290 a tonne, wille the cash zinc prices see-sawed in a narrow range before end-ing \$25 up on balance at \$1,665 The dollar strength which

steaded the copper market had the opposite effect on London's dollar-denominated precious metals. Gold fell to a 33-month low of \$365.75 a troy ounce, down \$11.50 on the week, while platinum slumped \$11.25 to go below the \$500 an ounce mark for the first time since last Sep-

"Platinum is horrendously oversold," commented Ms Rhona O'Connell, an analyst with Shearson Lehman Hutton. "It is a screaming buy at these levels." Ironically this week's slide in

platinum coincided with Johnson Matthey's annual review of the market, in which it fore-cast that the metal would trade mainly between \$500 and \$600 an ounce this year. The report suggests that demand for the metal in 1989 will exceed supply for the fifth consecutive year and that the deficit will

continue for the next two or three years.

The London coffee futures market continued in the grip of the supply squeeze fears which drove prices up sharply last week. The prompt May position, which began the month at £1,162 a tonne, reached £1,512 a tonne in mid week before easing back to end £64 up on balance at £1,399 a tonne. But July coffee, the second posi-tion, was still going strong, reaching a 4-month high of \$1.252 a tonne yesterday morning before classes \$74 up on the week at £1,229 a tonne.

Dealers said physical activ-ity was slack with roasters being put off by the large pre-miums demanded for nearby supplies.

In contrast cocoa spent most of the week defying forecasts that it was set to fall through £700 a tonne (in the second position) on the way to 2850 or below. After hovering for sev-eral days just above that level it staged what dealers described as a technical rally yesterday and ended £19 up on the week at £735 a tonne.

weather in the Ivory Coast, the world's leading cocoa producer, were reported to have encour-

Reports of unseasonably dry

J. Walter **Thompson** managing director

M J. WALTER THOMPSON
has appointed Mr Chris Jones
as managing director of J.
Walter Thompson, London.
He succeeds Mr Miles
Colebrook who has already
moved into the European sector as joint regional president, Europe. Mr Jones was appointed as deputy managing director in September 1988 having joined JWT London five years ago after seven years with Saatchi and Sastchi

Mr John W. Marsh has been appointed managing director of Cap Gemini Sogeti's UK subsidiary, CGS (UK). He was sales director at Control Data.

■ BP Oil has appointed Mr Peter Sutherland as a director. He is chairman-designate of Allied Irish Bank and a director of GPA.

■ Y.J. LOVELL (HOLDINGS) has appointed Mr David Hollywood as managing director of LPH Equipment the plant hire division. He succeeds Mr Bon Chatwin who will be retiring early next year.

Mr Chris Simpson has been appointed managing director of ABBEY CORRUGATED, part of David S. Smith (Holdings) Group. He was previously general operations director of Elopak.

 On June 1 Mr John Parkin Richard Mooney relinquishes the managing



At the annual meeting of CRODA INTERNATIONAL Mr J.M. Cannon announced that he would be retiring as chairman and as a director at the end of July. Mr M.R. Valentine (above)is to succeed him as chairman. Mr Valentine has been associated with Croda for over 20 years. As a merchant banker he advised Crods on all its major acquisitions and on the defence against the take-over bid by Burman in 1982. He joined the Croda board in 1984 as a non-executive director.

directorship of F. PARKIN & SONS. He will remain chairman. Mr Alan Beevor, the finance director, will become managing director. Mr Nick Parkin and Mr Hugh Parkin have both become non-executive directors.

Following the acquisition of TOUCHE REMANT by Societe Generale, the following board appointments have been made. At Touche Remnant Holdings, Mr J.P. Gentil, a director at Societe Generale has joined the board as a non-executive director. Mr J.C. Sorell has become a

shnellhave been appointed directors at Touche Remnant Investment Management. Mr D.A. Aikman, Mr A.L. Hardie-Brown, Mr S.V. Peak and Mr J.R. Pratt have been elected directors of Touche Remant Unit Trust ■ Mr Barry Smith, financial director, has been appointed chairman of DOLPHIN PACKAGING. Mr Richard Mitchell has now become

financial director. Mr Rupert Speyer has resigned as chairman to devote more time to his other business interests. ■ JURYS HOTEL GROUP has made Mr Walter Beatty its chairman. Mr Beatty is senior partner of Vincent & Beatty of Dublin and chairman of

non-executive director of

Touche Remnant & Co. Mr F.P.L. Bedwell and Mr P.J.

is Sir Graham Day is to join ALTNACRAIG as a non-executive director. Sir Graham is chairman of Cadbury Schweppes and Rover Group.

Atlas Copco (freland).

Mr Michael Bright has become deputy chairman of INDEPENDENT INSURANCE in addition to his position as chief executive and managing director. Mr Ian Dalziel. deputy chairman of Adam Bank, also joins the board as a non-executive director. Mr Robert McCracken and Mr Philip Condon, assistant general managers, have become directors.

■ BISHOPSGATE INSURANCE, one of the operating companies of AMEV UK, has appointed Mr Ken Acott, Mr Terry Newman and Mr Derek Stevenson as

directors. Mr Alan Sendall has been made a director of Gresham Assurance Group, the other operating arm of AMEV (UK). TERN has made the

following appointments. Mr Richard Gray has become a director and chief executive of Tern Property Services. Mr Mike Drury has joined as a non-executive director, responsible for corporate development and planning. Mr Roy Haywood, who has decided not to submit himself for re-election to the board, remains a director and shareholder in Tern Developments, the group's property development arm. Mr Alan Edwardes has decide: to stand down from the board to concentrate on his activitie: as group company secretary and group administration executive.

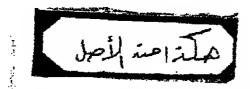


Mr Dennis Gilbey (above) ha been appointed managin director of STRATOS VENT LATION PRODUCTS, the env ronmental specialists. He we managing director of Temper ture, the Isle of Wight subsi-

lary of Norcros.

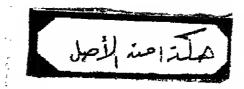
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Stal Offer to Yield Carps Prior Prior Prior - Grs **AUTHORISED** | Richard | Control | Cont **UNIT TRUSTS** Equitable Units Admin Ltd (1600)F Gavett (John) Unit Ngurt Lid (1900)F Shacklenn Hane, 4 Batth Bridge Lan, Lootin St. 01-378 P979 Anwritan Hane, 5 1 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 74-52 | 7 Semilar Control - 1-54 Semilar Ferrary - 1-54 Semilar Semilar Semilar Semilar Semilar - 1-54 Semilar Semilar Semilar - 1-54 Semilar Sem Do Ukenstri Pacific Basia Do Ukenstri Sessit Cos & Recy | Section | Sect Gresham Unit Tat Mogra (1.090)F 1 Haustwell PI, Sombarette S09 1NY 073 21.200 Europeian Gerti 6 21.33 21.61 21.10 21.1 S. 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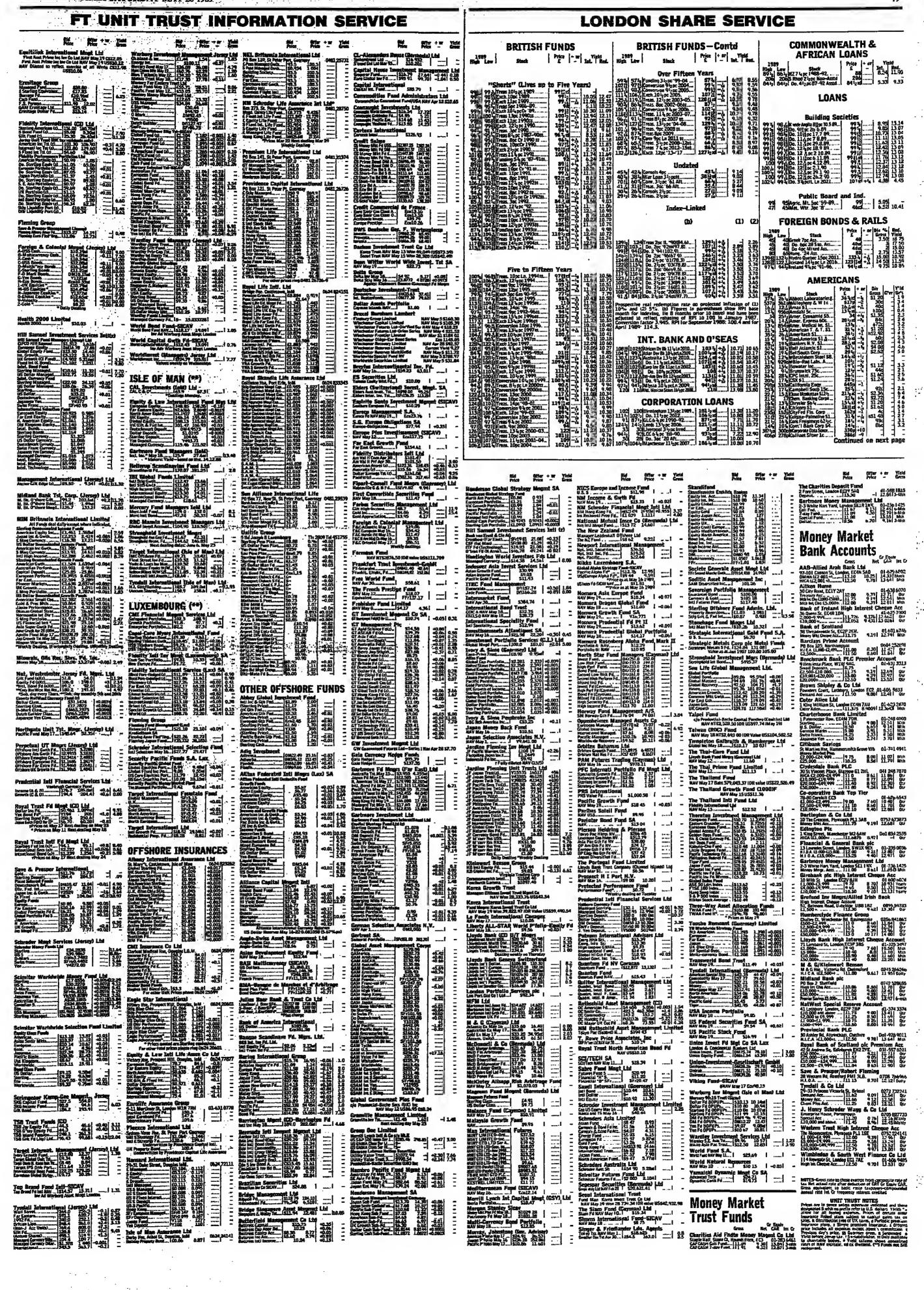
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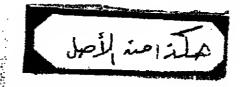
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Share prices at highest since crash

By Simon Holberton, Economics Staff

STRATFORD-UPON-AVON TEL: 0789 204288

UK share prices rose sharply yesterday to their highest level since the stock market crash in October 1987, in spite of poor figures for inflation and bank ending in April.
The dollar also showed

renewed strength after defying bouts of co-ordinated interven-tion in currency markets by most of the main European and North American central

Investors in the London stock market absorbed the rise in Britain's annual inflation rate to 8 per cent and a rise in bank and building society lending of £7bn last month with little hesitation.

They pushed the FT-SE 100 Share Index through the 2,200 barrier for the first time in 18 months. The index closed 18

months. The index closed 27.4 higher at 2,204.7 - 3 per cent up on last Friday's closing level – and the FT Ordinary

Share Index ended 27.4 higher Analysts said trading yesterday was dominated by special factors, such as the implications of the new roads plan announced by Mr Paul Channon. Transport Secretary. on Thursday and speculation sur-rounding takeover targets.

Technical factors, such as the high level of institutional cash holdings together with a shortage of stocks in the hands of market-markers, also con-tributed to the market's surge. The strength of the dollar also supported the market, as did a strong opening on Wall Street. In New York the Dow Jones Industrial Average was 21.08 higher by midsession at 2.491.20 on the back of high US Treasury bond prices and encouraging market forecasts

by brokerage houses.
in London, Mr Richard Jef-

frey, economist at Hoare Govett, the US-owned securities house, said about 40 per cent of UK company profits were earned abroad and mostly in dollars, so a strong US currency was seen as positiva for

He also noted that the Lon-don market had returned about 25 per cent to investors since the beginning of the year. Its latest rally tended to be selffeeding - investors saw prices rising and wanted to enter the market to take advantage of

dollar remained sought after by currency traders and investors. Central bank intervention is believed to be defending the dollar at too low a level. The market remains perplexed, however, as to why the Bundesbank, the West German central bank, was absent from

On the foreign exchanges the

currency market operations yesterday as it was on Thursday — the day that its council declined to raise key discount and Lombard interest rates. Analysts speculate that there is a rift within the Group of even leading industrial countries over policy on the dollar. The Bundesbank believes it is better to vary exchange mar-ket tactics and not be predictable in currency market inter-vention. The central bank also maintains that it adjusts its interest rates only in response to domestic economic condi-

In London, the dollar closed at DM1.9895 against DM1.9865 on Thursday, and at Y138.75 against Y138.65. At midsession in New York it was quoted at DM1.9755 and Y138.70. World stock markets, Page 13; London stock exchange, Page

Bond to sell some brewing interests

By Gordon Cramb

MR ALAN BOND, the heavily ted Australian entrepreneur, is to relinquish direct control over his prized brew-ing business, in the most dra-matic of recent attempts to reverse a slide in his fortunes. Bond Corporation Holdings, his Perth-based master com-pany, said yesterday it would sell its beer operations world-wide for A\$3.5bn (£1.66bn) to

wide for A\$8.5bn (£1.68bn) to Bell Resources, currently a 58 per cent subsidiary of Bond.

Bond Corporation intends to transfer its own A\$2.3bn in brewing-related debts to Bell Resources, offsetting these against the purchase price on the argument that they carry fixed interest rates better than current market levels.

A controversial A\$290m loan

A controversial A\$890m loan from Bell to Bond Corporation is also due to be unwound. This proposal gives Bell Resources an apportunity to acquire the world's fifth big-

gest brewer, a substantial asset of undoubted worth," Mr Bond said. As well as domestic lager brands including Castlemaine

XXXX and Swan, it would
inherit G. Heileman, one of the
top 10 US producers, and a
venture agreed this month to
take control of Kobanyai, Hun-

gary's biggest brewer. Bell Resources would be restructured and renamed, and Bond Corporation would Bond Chriphration would retain only a minority stake.

Mr Bond has been subjected to a barrage of unfavourable publicity since his abortive assault last year on Lourko, the British trading multinational of which Bond Corporation citil owner 20 per cent

tional of which Bond Corpora-tion still owns 20 per cent.
He is also locked in a legal battla with the Australian Broadcasting Tribunal which is assessing his fitness to hold licences to operate his Channel Nine television and radio sta-

In a speech to the Securities Institute of New South Wales yesterday he issued another vigorous defence of his posi-tion but promised further dis-

He acknowledged: "I am aware of your criticism that BCH is unpredictable and that I may be unpredictable. I will he taking this into account as and consolidates its activi-

Initial market reaction to

the news was positive, with shares in Bond Corporation up 15 cents to A\$1.35, a revival of more than a third since the low point 10 days ago when the shares touched A\$1. Shifting the brewing side

will leave Bond Corporation with interests including prop-erty and 51 per cent of Bond Media, owner of Channel Nine. Bell Resources is meanwhile to shed all its own existing holdings in a move which, Mr Bond argued, would create one of the world's few brewers unencumbered by interests

outside the industry.
"Bnnd Cnrpnration has already received expressions of interest from a number of overseas groups which are eager to participate in a pure brewing vehicle of this nature, the company said. Mr Bond gave no further indication yesterday of how much he might retain and where the rest of the shares

would go.

Brewing analysts in London were cautious about his ability to secure a foreign partner.
"It depends on the entry price of the businesses involved, and he will leave as much debt in as he can," said one broker.

The deal is subject to approval by shareholders in Bond and in Bell Resources — where the combative Mr John Spalvins of Adelaide Steam-ship has a minority stake. In the past few weeks Mr Bond has sold out of the prestige Bond Centre develop in Hong Kong as part of also moved to buy in 10 per cent of Bond Corporation shares and pledged to reduce his stake in Bond Interna-

THE LEX COLUMN

Equities ride on the greenback

1.4 1979 81 83 85 87 89

of profit had been cleared by

Arrow's investment. If this is so — and Blue Arrow disputes it — the whole fuss is further illustration that employment

agencies have no business dab-bling in property development. The final departure of Mr

Berry, carrying all of the blame, a sheaf of indemnities and £1.2m in compensation,

leaves the company hoping for

a fresh start. In one important respect, this seems quite feasi-ble. The US presence on the

shareholder register is now ris-

ing towards 50 per cent and the company will shortly introduce quarterly statements, reporting in dollars and so forth. Pro-

vided there is nothing nasty to emerge from the Department of Trade investigation, the extinc-

tion of Blue Arrow by Man-

power - whether nominal or not - will be complete.

The word on UK inflation is far from encouraging, next week's trade figures could be horrendous, industrial unrest is escalating and sterling is not lating and sterling is not looking particularly strong. It is hardly the ideal backdrop for a booming UK equity market, yet the FT-SE is up by 23 per cent already this year and is now less than 10 per cent below its pre-crash high of 2,443. Yesterday was one of the beaviest trading sessions in a heaviest trading sessions in a long time, and the more bear-ish fund managers, in spite of earning 18 per cent on their cash, are beginning to look horribly exposed.

The problems of the UK

economy could soon return to haunt the London equity mar-ket, but for the moment investors are enloying the fall-out from the dollar's unexpected rerating. The chief beneficiary has been Wall Street, where short-term US interest rates have fallen by half a point over have fallen by half a point over the past fortnight; and in the UK, the dollar earners have been leading the market higher amid growing signs that the long-feared squeeze on profit margins may not be so had after all. The institutions are flush with cash, rights issues remain surprisingly few, RHM is the latest target of the corpo-rate predictors, and the West rate predators, and the West Germans and Japanese have once again ducked raising

if only it could stay this way, all would be well. Unfortunately, if the dollar continues to surge unchecked, it looks far more likely that it will be met by higher European interest rates rather than lower US rates; and 14 per cent base rates would come as a rude shock to the UK equity market.

Blue Arrow

The long-awaited circular on Lonrho Blue Arrow's Canvey Island Lonrho has always been magnanimous with the diviadventure makes dispiriting reading. There is no reason to dispute the company's contendend, but yesterday's 46 per cent increase in the interim tion that the losses involved tion that the losses involved are not materially damaging, even if the total provision of £43m is steeper than advertised. What does seem extraordinary is the alleged behaviour of the man who only two years ago was able to touch the London market for over £300m. Mr Berry, it is said, entered into transactions without the payment was a pretty self-interested sort of generosity. Mr Rowland seems intent on buying shareholders' loyalty to tide him over a tricky legal period – the contempt of court decision due on Monday — and on smoothing the way for a placing of the Bond stake, should it come to that transactions without the authorisation of his board, and in breach of Stock Exchange short term: making shares genrules on shareholder approval. uinely cheap is not as simple as returning to shareholders That apart, it seems poor judgment to make a substantial. what they own already. Striploan on a speculative project, interest-free for two and a half ping nnt all tha funnies -which accounted for yesteryears, with the promise of day's stated 40 per cent profit

return only after the first £25m growth in its entirety - and

assuming a smaller rise in the final, the dividend is less than 1.5 times covered, while the true p/e is over 12. The grudging rise in the shares of 3p to 285p yesterday showed the market was not to be bought **UK yield ratio** Yield on FT Irredeemables

off so easily.
Otherwisa, yasterday's results were typically uninformative. The decision to take 28.4m of stock disposal profits above the line was remarkable enough; while the reference to "astonishingly good" prospects and the bullish description of each division does not square with underlying agrainge each division does not square with underlying earnings growth of 2 per cent. The com-pany hints that the reason for any duliness in the first half was that extra profit has been kept back for the second, but, in that case, one wonders why anyone bothers with the interim numbers at all.

of profit had been cleared by Mr de Savary.

For his part, Mr de Savary argues that the value of the land, even without the hopedfor planning permission, more than covers the cost of Blue. Bond Corp

Mr Bond's switching of his brewing business between two parts of his empire is open to several interpretations. As yes terday's rise in the shares of both Bond Corporation and Bell Resources suggests, the move helps each company individually. Bond Corp gets its hands on the rest of Bell's cash, and Bell, having already lent some A\$1hn to Bond, now gets breweries in place of a dubious IOU. For the Bond empire as a whole, all this is no more than passing assets from one pocket to another; what is needed is disposals to genuine outside parties. But though there is a hint of desperation about the whole affair, it would not do to write Mr Bond off just yet he has proved his skills in escapology often enough in the past.

Next

All week, the market has been saying that retailers have fallen far enough. The sight of Next trading a bit more of the George Davis dream for solid cash made it consider even that company to be off the bottom. Both fudgments are premature. As far as Next goes, it may be encouraging to see gearing down to under 30 per cent and to been of the new cent, and to hear of the new management's sensible plans; but the difficult bit of rebuilding the business starts now. For retailers in general, the rerating is based on faith in a recovery expected at some point next year. Assuming the rest of the retailing reporting season produces its normal ratio of horror stories, the sector could shortly find itself

Short-range nuclear missiles deal nearer

By Peter Riddell, US Editor in Washington

THE US and West Germany yesterday moved towards a compromise aimed at avoiding an open split over the future of sbort-range nuclear missiles in Europe when the Nato beads of government meet in Brussels

Following two days of lengthy discussions in Washington with members of the Administration, Mr Gerbard Stoltenberg, the West German Defence Minister, said he was "bopeful" that agreement would be reached by next week, before the summit. The breakthrough has fol-

lowed indications from Mr Stol-tenberg of Bonn's desire to be

flexible and a US willingness to accept a linkage between nego-tiations on short-range weapons and the conventional force

talks in Vienna. Officials closely involved in the discussions said the com-promise included acceptance by the US of eventual negotiations on sbort-range nuclear weapons, although these would not start until after substantial progress bad been made in Vienna on reducing conven-

tional force imbalances. Washington's acceptance of the principle of snch short-range negotiations has been made dependent on Bonn's assurances that the aim should not be total elimination of such weapons.
The suggested wording will

now be considered by Presi-dent George Bush and Chancel-lor Helmnt Kohl of West Germany. There are also likely to be discussions with Mrs Margaret Thatcher, the UK Prime Minister, who has opposed such negotiations.

President Bush is keen to ensure that the Nato summit is

not exclusively preoccupied by the short-range missiles issue and that it looks at the broader role of the alliance on its 40th anniversary, especially in the light of developments in the Soviet bloc.

Following his speech a week ago on East/West relations, the President will tomorrow outline his views on Nato in an address at Boston University. He is expected to base his argument on Nato's success in avoiding conflict so far and to warn against any premature reduction in the alliance's military capabilities until there is firm evidence of Soviet cuts.

The President yesterday talked with senior military advisers at his holiday home at Kennebunkport, Maine, about the Nato summit and the review of defence strategy. He is due to meet President Mit-terrand of France there today.

Accountancy merger complicated by profits

By Richard Waters

ERNST & Whinney and Arthur Young, the accountancy firms, yesterday confirmed their intention to merge by the end of this year.

However, the earnings of partners in some countries are partners in some countries are likely to be kept separate for a period because of differences in profitability.

This gives an indication of the difficulties still to be tack-led by the two partnerships in

arranging such a large-scale merger. The deal will involve combining the businesses of 6.000 owner-managers. Arthur Young is less profit-

able than Ernst & Whinney in the UK and US, although each side said the differences were not large. However, to guard

against a dilution of Ernst & Whinney partners' income, earnings will not be mixed immediately in the UK. US partners will share profits from the date the merger is com-pleted, although it is thought that efforts will be made to improve profitability at Arthur

Young beforehand. Although the matter is still being negotiated, it is under-stood that full profit-sharing is likely to be phased in over

It is hoped that at the end of this period the economies of scale and marketing benefits of the merger will have generated enough extra revenue to overcome any disparities. Mr Harold Cottom, Ernst &

Whinney managing partner in the UK, said: "If you put any two partnerships together, there will be a difference (in profits)... There may be a need for a short period of time to Insulate them (Ernst & Whinney partners). But it's not

a big issue in my book." Arthur Young UK partners are likely to stand their ground in any profit-sharing debate. One said yesterday that any agreement on profits should take into account Arthur Young's larger continental Enmonean client base because the opening up of Europe was likely to result in more work being referred to the UK and consequently greater profits. leader, KPMG.
"I hope the agreement Putting two together, Page 7

doesn't take into account just immediate profitability, but also future profitability. That makes us equal."

In keeping with the highly secretive approach of all accountancy firms, partners in the UK were shown profit fig-ures at meetings on Thursday but were not given copies to take away.
"As usual with these things,

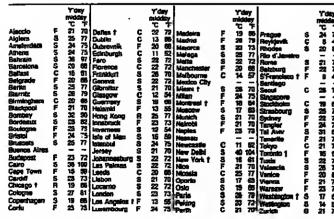
we had more on the blackboard than on paper," one grumbled. Despite such rumblings, partners on both sides expressed support for the proi ected merger, which would put a newly-created Ernst & Young ahead of the present world leader, KPMG.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm Risos	ij			PARIS (FFre) Rises		
BMW	503	+	5	Alcatel 2830	+	35
Kerstadt		+	22	Havas 890	+	17
Volkswagen	349.5	+	5.8	Pechelbronn 1070	+	25
Falls				Vallourec 374	+	10
Degussa	451,2	-	6.5	Fells		
Feldmuehle	349.\$	_	11.7	Credit Foncier 884	_	14
Veba	281.7	-	5.3	Promodes 2988	_	14
NEW YORK (\$)				TOKYO (Yen)		
Rives				Rises		
BankAmerica	25%	+	7 ₈	Futaba Ind 1970	+	150
Castle & Cooke		+	178	Misawa Resort 1960		250
Goodyear T & R		+	1 lg	Nippon Foil 745	+	65
Pheips Dodge	S1	+	٦× `	Takashima 1950	+	150
Falls				Falls		
Avon Prods			12	Nihon Sugar 640	_	40
Prime Comp	151 ₈	-	34	Toho Titanium 2790	_	170
New York prices	at 12.	30.				

at 12.	30.						
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WORLDWIDE WEATHER



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Thatcher Continued from Page 1

Those differences - and the split over EMS membership between Mrs Thatcher on one side and Mr Lawson and Sir Geoffrey Howe, the Foreign Secretary, on the other – pro-vide an unwelcome backdrop to Monday's launch of the Conservative manifesto for next

month's European elections. There were reports among minster that Sir Geoffrey's relations with Mrs Thatcher had become increasingly strained over the past few

Mr Neil Kinnock, the Labour leader, meanwhile said that Mrs Thatcher's latest remarks meant that the Chancellor, who was yesterday travelling to a meeting of European Community finance ministers in Spain, had little choice but to resign.

The manifesto is expected to emphasise the positive contri-bution that Britain has made to Europe over the past decade. Prime Minister seems unlikely, howevar, to tone down her objections to plans for closer monetary co-opera-tion or to the social charter proposed by the European Commission as part of the sin-

gle market. The open differences within the party over whether she should soften her stance in defence of British sovereignty are therefore expected to be highlighted daily within the

Yesterday Mr Michael Heseltine, the former defence secretary, again underlined his view that Britain should see closer links with Europe as an opportunity rather than a threat and should stop seeking to defend a "phoney" sover-

Both Mr Lawson and Sir Geoffrey have been advocating an early commitment to EMS membership as a way of under-scoring the Government's European "credentials" and strengthening its case in opposing more radical moves towards integration.

They share Mrs Thatcher's opposition to the goal of full monetary union proposed by the Delors committee of EC central bankers, but see strong political as well as economic advantages to participation in the exchange rate mechanism. The Chancellor was behind

the abortive experiment last year to "shadow" the D-Mark by keeping the pound below DM3.00 in an attempt to per-suade the Prime Minister to agree formal EMS membership. The latest campaign, how-ever, appears to have sncceeded only in irritating Mrs.
Thatcher, who has made it clear that she sees debate over the EMS as a distraction from the main task of getting down the inflation rate.

She said yesterday: "I do not know any serious commentator who at the moment has suggested that we go in until we have in fact tackled our inflation and really got it

The Prima Minister also questioned the stability of the EMS once other European countries had achieved the degree of freedom of capital movements already achieved

tional Gold. IXL stake on offer to Elders shareholders, Page 10

Peking continued from Page 1

ment. They also want press freedom, the resignation of top leaders and an end to official

The widespread protests have crippled transport and communications and paralysed more than 20 cities. It appeared yesterday that hardliners within the party had the upper hand, and the Government was preparing to brazen it out. Li, who seemed to be direct-

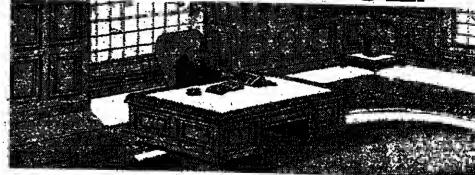
organisations and the Govern-refused to grant the student ics could break out in Tianandemands for televised talks on political reform and press free-

With 50,000 students and workers flooding into the capi-tal by train each day, the cen-tre of the capital was again the scane of protests yesterday, though they were smaller than during the previous two days. Other cities continued to report large demonstrations.

men Square which has become a smelly health hazard, with decaying garbage filling the shanty town of tents, old buses and cars the strikers are using to shelter in during their pro-

The hospital president, Zhao Xiangyin, said yesterday that many of the fasting students treated during the past week had contracted contagious dis-Li, who seemed to be direct- Doctors at Peking's hospital eases such as hepatitis and ing strategy, earlier this week yesterday warned that epidem- respiratory illnesses.

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The long road into England

HE FIRST Asian refugee from Uganda to arrive in Leicester was Babulah Thaksrar, an accountant. He came on August 26 1972, with three of his six children and £4 in cash. As he stepped from the train he told a reporter from the Leicester Mercury: "The Asians will not be a burden to Britain."

den to Britain."

Ignoring advertisements placed in Ignoring advertisements placed in Ugandan newspapers by the Leicester City Council and public warnings that the city was "full up" another 6,000 refugees followed Thakerar to the prosperous Midlands town. They represented nearly a quarter of all those who chose Britain as a refuge from the chose Britain as a refuge from the dictator Idi Amin.

dictator Idi Amin.

Most of the new immigrants settled in the grid of red-brick terraces either side of Belgrave Road in those days due for demolition—which runs north east out of the city centre. And they kept the promise that Babulah Thakerar made on their behalf. They are by no means all as rich and successful as nomilar mythology would have as popular mythology would have it, but few of them are poor. The bank manager who used to baulk at-lending £1,000 to an Asian customer will now lend him £1m without

qualm. When an Asian moves into a smart suburban street today he drives prices up, not down.

Perhaps because they were already westernised and accustomed to British institutions the refngees from Africa have adapted easily to England: like the former barrister who has made a success out of knitwear, the politician who went into garages and then finan-cial consultancy, the coffee mer-chant turned magazine distributor, or the young doctor who has a consultant oncologist at

the Royal Infirmary.

But, nearly 20 years on, the question exercising the more far sighted people on both sides of the ethnic divide is whether acclimatisation is leading to integration or whether it will lapse into a kind of perpetual — if voluntary — apartheid, With Britain debating its obligation towards the citizens of Hong Kong,

the long-range lessons are more than academic and Belgrave Road is one of those there one morning this month, jos-tling and pushing round the door of Dave's News, a shop indistinguish-able from theusands of others. Two tattooed bouncers stood guard, directing police efforts to clear a gangway. The cause of the crush turned out to be Rekha, a pretty girl with a fearsome pout who, someone said, is India's biggest female filmstar. She had come up to Leicester

from London to promote the British launch of an Asian film magazine called CineBlitz.

Belgrave Road has come up in the world since the days when shops went for 28,000-29,000. Prices now start around £250,000 but nobody, said the estate agent, would be so foolish as to sell without testing the market at auction. The old cinema has been turned into a sari supermarket and even the pizza parlour is Indian owned. Shopkeepers call it the Asian Mile. The burghers of Leicester say "Khyber Pass."

About a quarter of the city's population of 290,000 is Asian, perhaps more. Although the newcomers tend to be lumped fogether, there are important differences of origin, culture, religion and experience. A third of them came directly from

third of them came directly from the Indian subcontinent, voluntarily, to seek their fortune; a third are to a greater or lesser extent

Christian Tyler on the problems Asian migrants and their children have in adapting to the land

they now call home

refugees from post-independence Africa, whither the British, needing labour to build railways, had lured them at the turn of the century with promises of gold; and a third were born in Britain. The largest religious group is the 40,000 Hindus, mainly from the eastern Indian mainly from the eastern Indian state of Gujarat. There are about 20,000 Sikhs, most of whom came directly from the Punjab, and about 15,000 Muslims from both sides of the Indian partition line.

Nobody seems to have calculated what proportion of the city's wealth is in Asian bands, but none doubts that Leicester's traditional textile industry would have died without them. Depending on whom you talk to, the number of Asian millionaires in the county ranges from a dozen in the county ranges from a dozen to nearly 100. The biggest businessthan academic neu - in hosiery, knitwear, ful for their future in the UK." In Ethnic origins are not simply cash and carry - tend to be the Dgands; he said, they had hastened washed away by the English rain. direct immigrants, including Punja their downfall by flaunting their bis and Sri Lankans. For all their places where the native can expert business experience and former ence culture shock in his own counwealth, the East African immitry. A large excited crowd gathered grants are less hard-working according to Jaffer Kapasi, secre-tary of the Leciestershire Asian Business Association: Perhaps we have been spoilt by rich parents," said Kapasi, himself a refugee from Uganda where his father became a millionaire running ships on Lake

Albert. The desire to invest in property seems universal Even professional men dabble in it. There is a new

housing estate called Hamilton going up on the east side of the city. Of the first ten houses built, eight were bought by Asians and six of those stood empty for half a year. Some of the higgest commercial property developments are funded by Asians and a remarkable 80 per cent of them are compensationers. cent of them are owner-occupiers against less than 50 per cent of whites, according to a 1987 study commissioned by the city and county councils.

Although the bigger firms have spread their tendrils into the wider

spread their tendrils into the wider economy, as suppliers for national chain stores, for example, integration into the English mainstream seems painfully — and to some Asian politicians even dangerously — slow. This insularity is due as much to cultural tradition as it is to insecurity.

insecurity.

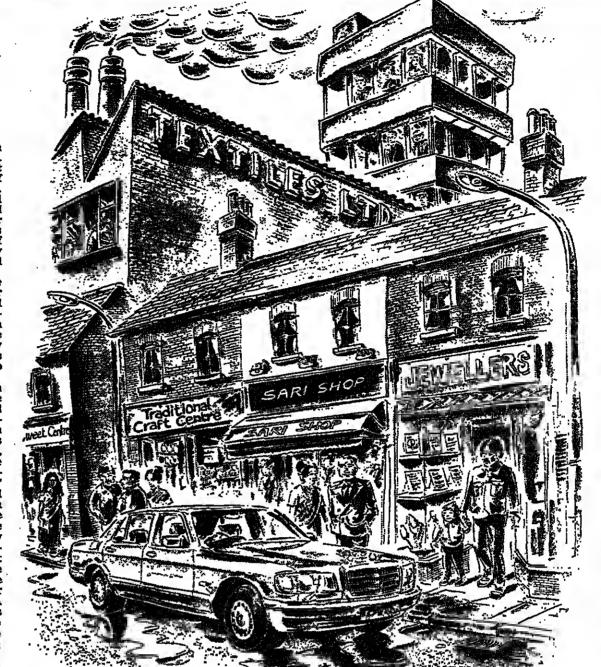
Ratilal Ganatra, who owns a Ratilal Ganatra, who owns a hardware emporium on Belgrave Road, typifies the family-minded conservatism of the Gujerati-Hindus. Surrounded by aluminium cooking pots, plaster casts of gods and goddesses, ceremonial drums, tea strainers and hair grips he explained the fundamental importance of the "joint family system" in which the house, the work and the income are all shared. Ganatra came from Tanzania in 1970 for the sake of his children's education. He sake of his children's education. He is leader of the Lohana community in Britain and one of Leicester's village elders. Once an independent ethnic minority candidate, these days he enjoys an influence that the Labour local councillor and Member of Parliament cannot ignore. A genial man, he describes himself as a karmayogi and social worker who puts welfare before riches. But he said: "From the very blood we are a business community."

The Asians' preoccupation with business, the family and the clan can seem dangerously obsessivs to more westernised immigrants. Man-zoor Moghal is a financial consul-tant with Allied Dunbar who fled Uganda after unsuccessfully pleading the Asians' case with Idi Amin.

The Asians have learned very little
from their past mistakes," he said.

They are following a similar pattern here and sometimes I am fearwealth and failing to convert their economic weight into political influence. "They have reasonable eco-nomic clout here, but are almost totally involved in economic activity to the exclusion of any sense of civic or political involvement."

There is an odd hlend of ostentation and secrecy which makes the Asians' real circumstances difficult for the outsider to judge. Behind the little shop may, or may not lie a big import-export business and a string of investment properties. The Mer-cedes ontside the shop may belong



to a wealthy man who can well afford a Rolls-Royce. Or it may belong to a struggling shopkeeper — especially if he is from East Africa — trying to prove that he has made it. It leads the whites to wrong conclusions (for example, that most of the profits are being shipped back to India) or to exaggerated assessments of the immigrants' worth. This dissembling owes something to fear of the taxowes something to fear of the taxman - Leicester is one of those places where the Revenue and Social Security like to go hunting. As one accountant said, Asian businessmen feel they do not have the time to do proper accounts and they like to keep the profits - like the business itself - in the family.

The secrecy can also be explained by fear of white resentment, racial ahuse or old-fashioned hurglary. Although Leicester has a generally good race relations record, not everyone feels secure. Immigrants are reluctant to talk about the attacks and insults they still have to suffer, especially in the Highfields area where the Muslim and black communities live.

Bhiku Hindocha, an accountant whose clients are mainly from East Africa, said their desire for self-employment was very strong. That, and the feeling that their promotion chances were weak in white firms, might explain the scarcity of Asian managers in the city's big offices. Their husinesses might grow to a turnover of £5m or £10m a year, but then they would stop growing. To go on to create a professional management structure or seek a quote on the Unlisted Securities Market was virtually unheard of."

Being self-supporting if not entirely self-sufficient, the Asians are natural Thatcherites. But in politics, too, the sense of community seems to impede adaptation. There are eight Asian city councillors and docha said: "There are do-gooder Labour councillors who give the impression we are always making demands - that we want chapattis in all the schools. But it's not like that. It's time we put something back into the community."

The professionals, such as doctors and lawyers, move easily in their adopted society. Well educated, and anopted schely. We estimated and from upper middle-class back-grounds in India or Africa where they enjoyed a higher standard of living than any of their English friends, they wear their culture and religion lightly. Like the more successful businessmen that have cessful businessmen they have moved into smart suburbs and are sending their children to private schools. Understandably they fight shy of the more exclusive hunting, shooting and fishing set out in the countryside. They have no ambition

to play the country squire.

They are fortunate in that their jobs bring them into daily contact with the Establishment. A good example is Gautam Bodiwala, who came from Gujarat 20 years ago as a qualified surgeon and heads the Infirmary's accident and emergency unit. He was the man who directed the emergency services after the M1 plane crash earlier this year. Con-scious of the barrier of mutual ignorance, Bodiwala invites English and Asian friends to meet each other at his handsome detached house in Oadby. Of Leicester's separated communities he says; "We are still passing through a period of trying to understand each other after 16 years, But who is to go out and extend the hand first?"

t is often assumed that segregation ends with the succeed-ing generation. But the his-tory of large minorities in Europe and the US suggests there is nothing automatic about the process. The Hindu and Sikh parents of Leicester — and the Muslims even more - are mortally afraid that their children will lose their religious beliefs, make unstable marriages with a partner from the wrong race or clan, and abandon the family network. The couple who have built up a business with their bare hands want their sons to take

over the shop.
"I am split between both genera-tions," said Ashok Khandelwal, as he sat in the office of his father's sari supermarket. Ashok is an arti-culate, intelligent man of 26 who went to Wyggeston Grammar School and then straight into the business. He is in the shop 12 hours a day and does paperwork on Sun-days. His father, Suraj Khandelwal, is one of the leading Indian busi-nessmen of Leicester, an early immigrant who was formerly on the

in spite of his British birth and education, Ashok's life is almost entirely taken up with business and the family. He and his wife live in the pareotal home in Birstall and have no plans to huy their own house. He is shocked by the atti-tudes some Asian children show towards their parents. Ashok confessed to misgivings about the relentless round of business that stretches ahead of him. Will he. then, break free of his Asian heritage and take flight into the west-ern world? Not at all. He wants to go and work in India.

The Long View

Cutting out the piggy in the middle

ers already know all about it, to their cost. Big companies are better credit risks than the banks these days, so it makes sense for them to go straight to the short-term money markets rather than draw down over-Now, some of the better-

known companies are wonder-ing whether there might be a case for extending the princi-ple to the long-term capital market. The middlemen in this case are not the houte but the case are not the banks, but the great investment institutions like the life insurance compa-nies and the pension funds. Their annual net cash flow is of the order of £250n — and they invest much of it in ordinary shares. As a result, direct ownership of equities by the British public has dwindled. Through privatisation offers

the Government has succeeded in raising the number of pri-vate shareholders from 3m to 9m. That figure could jump temporarily to 13m when the free Abbey National share certificates are handed ont in July. But the average investment is very small. Private shareholders in aggregate own less than 25 per cent of the shares of the typical British company.

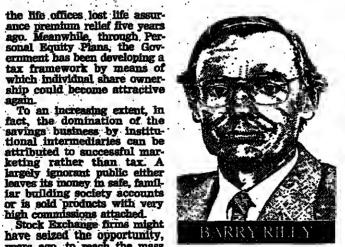
The usually cited reason is that the institutions have enjoyed tax privileges, espe-cially the pension funds. But

DISINTERMEDIATION is the jargon word for it, but don't be put off, it means nothing more complicated than cutting out the middleman.

In the financial world, bankers already know all about it, which individual share ownerships and the street of the life offices lost life assurance premium relief five years ago. Meanwhile, through Personal Equity Plans, the Government has been developing a tax framework by means of which individual share ownerships and the street of the life offices lost life assurance premium relief five years ago. Meanwhile, through Personal Equity Plans, the Government has been developing a tax framework by means of the life offices lost life assurance premium relief five years ago. Meanwhile, through Personal Equity Plans, the Government has been developing a tax framework by means of the life offices lost life assurance premium relief five years ago. Meanwhile, through Personal Equity Plans, the Government has been developing a tax framework by means of the life offices lost life assurance premium relief five years ago. Meanwhile, through Personal Equity Plans, the Government has been developing a tax framework by means of the life offices lost life assurance premium relief five years ago. Meanwhile, through Personal Equity Plans, the Government has been developing a tax framework by means of the life offices lost life assurance premium relief five years ago. Meanwhile, through Personal Equity Plans, the Government has been developing a tax framework by means of the life offices lost life assurance premium relief five years ago. Meanwhile, through Personal Equity Plans, the Government has been developing a tax framework by means of the life offices life and the life offices life assurance premium relief five years ago. ship could become attractive

> savings business by institu-tional intermediaries can be attributed to successful mar-keting rather than tax. A largely ignorant public either leaves its money in safe, famil-iar building society accounts or is sold products with very high commissions attached. Stock Exchange firms might have seized the opportunity, years ago, to reach the mass market directly. But that would have required large-scale injections of capital and management skills. It was much easier and more profit-able to leave the marketing to the institutions and become their servants.

Until Big Bang it was at least possible to cross-subsidise private client business. Subsequently, however, many big stock market firms have pulled out of private client business or have attempted to turn themselves into mini-institutions running portfolios on a discretionary basis. The proposed Taurus 2 electronic settlement system, for instance, is going to work on the basis of nominee portfolios held by brokers. Fund managers like to operate PEPs on the basis of slaborate structure of expen-stockpicking choices made by sive intermediation could be



As companies grow more frustrated with their institutional shareholders they are tempted to sell themselves directly to the public

them rather than their clients. This is the only way, it seems, they can make the business profitable. But like nominee registration it breaks the direct link between companies and their shareholders. Is it possible that this whole

by-passed? Could ICI sell shares, or other types of securi-ties, to the public through its own dealing facility? There are severe Companies Act restric-tions, set up to counter the ruses of crooked 18th century company promoters. Yet the investment trusts, which for these purposes are companies like any others, have found ways of setting up savings

A little surprisingly, public relations men can be found behind the latest wider share ownership push. Roddy Dewe of Dewe Rogerson, who has prospered on successive privatisation issues, is attempting to gather money for a £350,000 academic study of the potential for corporate marketing to for corporate marketing to investors. Brian Basham of Broad Street Group is urging companies to set themselves targets for raising the privately-held proportion of their equity to 35 per cent.

Evidently it is the marketing consultants who can most clearly see their way to making a profit out of the small investor. There is nothing wrong with that. But it poses the question of whether there is really anything in it for other parties - the companies themselves, for example.

The attractions would include a more diversified own-ership, offsring a reduced share price volatility and, possibly, greater loyalty from the small shareholder. On the other hand, the costs of direct marketing might be quite high,

as would the subsequent cost of maintaining a large shareholder register.

And there is an ethical quandary. Legally, listed companies are beholden to their majority owners, the institutions. Would companies be justified in seek-ing to undermine the business interests of their proprietors? We see this clash come to the surface in arguments such as the jealous institutional protection of pre-emption rights. Of course, if you consider that the ultimate proprietors are not the fund managers but the ulti-mate beneficiaries you might coms to a different answer.

The central question is whether the elaborate infrastructure of the institutions and their many thousands of salesmen and agents is in fact unjustifiably inefficient, or whether it is the least bad way of reaching a hard-to-get public. Many companies are skilful at using marketing skills to reach consumers: should they use the sams techniques to market themselves to investors, rather than sub-contract the task to insurance companies? The answer may well be that the capital market is very different. At the very least, a company will need a strong brand name to be successful: XYZ Industries would find it

tough. Judging by the way relation-ships between companies and institutional shareholders are deteriorating, however, attempts to break the mould may not be too far away.

"At 9.95%, my

three county councillors - and they are all Labour. Government Ministers have visited the city to

ministers have visited the city to appland the Asians' entrepreneurship, and many of the wealthler vote Conservative, but Labour has secured its place by focusing on minority needs and reminding people of the Conservatives' record on immigration coutrols. Keith Vaz, the vourne MP for Laignetor Fact, in

the young MP for Leicester East, is

an adroit politician who, one admirer says, manages to express

Even in the richer suburbs the

Tories have been reluctant to woo

the middle-class Indian vote for fear

of alienating the whites. "Basically, at heart we are all capitalists," said

Subhash Khanna, who left Kenya in

protest at being classified as a for-eigner in his own country and is

now a consultant oncologist at the

Royal Infirmary. "But we have been lumped together as 'Asian Labour."

So we don't vote. I don't vote." Hin-

Asian views in an English way.

new mortgage rate's

unheard of.

But then.

how many people

have heard

of the ECU?"

10.7% Typical APR

The European Currency Unit still Isn't a household name.

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tions in the exchange rate. Unfortunately you didn't. But now you can - provided that you earn over £20,000 and you need up to 70% of your property's value. And to help you lessen the exchange rate risk, you can

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Finance and the Family: This Week in search of the real cost of bank borrowing

Big retail groups have chellenged the idee thet bank overdrafte are a relatively cheap way of borrowing money. They point out that overdraft charges are not expressed as en APR, and are tharefore diffi-



cult for the public to gauge. However, as David Barchard reports, the real story is a little more complex. Page til

A new face in futures investment

Scimitar, the investment arm of international bank Standard & Chartered, ie dipping a toe into the muddy waters of tutures investment. The group is offering investors two offshore-based futures funds and le the letest "respectable" neme to enter this sector and give it added credibility. Beverley Chandler reports, Page VI

Icing on the cake for expatriates

Important changes will be introduced next April which will curtail, or even eliminate, the British tax liability of many oversess residents who derive income from the UK. Doneld Elkin has the details. Pege VII

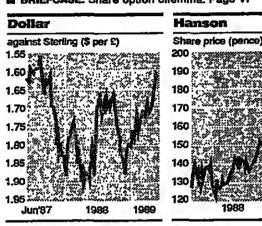
Scope for saving on CGT bills

Anthony Casswell continues hie series on how to make the most out of independent taxation by looking et forward planning for Cepital Geins Tax exemption. Page VII

Minding your own business

lan Hamilton Fazey meets two former eenior managers with Investors in Industry (3I) who have taken the plunge into eetting up their own individual venture capital businesses, and Roy Hodson tracks a report that sheds light on attitudes to the short and long-term futures of privately owned companies. Page VIII

BRIEFCASE: Share option dilemma: Page VI



Surprise surge in US dollar

The surge in the value of the US dollar over the last few waaks is one of the biggest investment surprises of 1989. The US is running e chronic balance of payments deficit and its inflation rate is higher then that of many of its competitors, yet the dollar has risen by 15 per cent over the last six months against the currencles of the world's two biggest surplus countries - West Germany and Japan. The assumption now is that the dollar was substantielly undervalued, but the denger for the financiel markets is that if its rise continues unchecked other countries will be forced to push interest retes unnecessarily high to protect their currencies. This could precipitate a hard landing/recession for the world economy.

Hanson shares underperform

A surprising underperformence by Hanson chares, despite dilemma over one of their favourite companies. "Hanson's recent strategy has looked more defensive than offensive, comments Citicorp Scrimgeour Vickers, adding that "acquisitive ection" may be needed if the shere rating is to make further progress. Hence the disappointment that this week's Interim statement brought no exciting news -Indeed the board said easterely that this was not the time to make mejor acquisitions, "at today's inflated prices." The Goldsmith, Rothschild, Packer consortium which took out the Goodman Fielder Wattie stake in Ranks Hovis McDougall might disagrea. The market will be watching Hanson's cash plia, estimated at around £1.8bn net, with even keener interest if the stock market continues to push to new post-Crash peaks. Tarry Byland

Unit trust sales rally

Unit trust salas railled during April even though the latest figures show that smaller investors are continuing to pull out of thase funds. The April figures from the Unit Trust Association show that gross seles reached £328.9m, up 2.8 per cent on the previous month. Repurchases fell to £527.6m and es e result net investment increased to £301.3m after declining to £211.3m in March. The totsi value of the funde under management rose by £370m to £49.59bn In April. The recovery in sales is mainly due to institutional buving: in fact, the number of account holders continued to tall, from 4.8m in March to 4.76m last month. The number of unitholder accounts hae been falling steadily since the beginning of 1988. Sars Webb

House prices rose 33% in 1988

House prices rose by shout a third in the UK during 1988, according to the letest issue of the Building Societies Association journal, though it goes on to predict that there will be e much slower rete of house price inflation in 1989. First-time buyers accounted for 47 per cent of bullding society loans last year and naarly hall of these ware new

householde, the report says.
Out of these first-time buyers, 15 per cent bought houses which cost less than £15,000, while 21 per cent of owner-occupiers who moved last year peld at least £80,000 for their new properties. Slightly over a querter of first-time buyers were between 21 and 24 years old, while 5 per cent were under 21. House prices were highest in London and the south east, and lowest in Scotland and the north. Sara Webb

LONDON

A rally more of faith than fundamentals

THE LONDON equity market has been bounding ahead again this week, with the FTSE 100 bursting through peak after post-crash peak. Is this any-thing more than an outbreak of "insensate optimism" – as one pundit put it yesterday - or is the outlook for the economy genuinely more rosy?

The market appears to have gained most of its strength this week from events on the other side of the Atlantic, where Wall Street was strong and the dollar continued its dizzy rise against the D-Mark and the Yen. Sentiment was also much helped by Wednesday's trade figures, which showed a deficit for March of \$8.86bn - signifi-cantly less than the \$10.2bn expected by the markets. The dollar promptly gained three pfennigs against the D-Mark – reaching its highest level against the German currency since December 1986 and Its highest point against the yen for nearly two years.

According to many observ-

NEXT WEEKEND, on its

Memorial Day holiday, the US will remember the dead and

honour the survivors of its wars. About the last thing wall Street will do between

now and then is pause for a minute to consider the mean-ing of the October 1987 Crash.

analysts talk no longer of new post-crash highs — the major market indices set yet more on

Thursday - but when prices will break their all-time

records clocked a couple of

they expect the Fed to ease back on interest rates after it

has seen more data confirming

that the economy is heading

for a soft landing.

The robust dollar, checked

bnt not beaten by massive cen-

tral bank intervention on

Thursday, encouraged an increasing flow of foreign

investors into both US equity and bond markets. The Japa-nese were particularly big

Noticeably absent from the current market are two disparate classes which shared an uncomfortable fate during the Crash: small investors and

speculators in takeover stocks.

the past two months has left many small investors sitting

on the sidelines, still worried

that there could be a replay of

The surge in stock prices in

etary policy.

With stocks romping ahead,

the dollar has lost touch with fundamentals over the recent weeks, the rise due to speculation and little else. But the surge does reflect a percep-tible shift in sentiment on the outlook for the US economy. Growth is slowing - but not so rapidly as to precipitate a ssion. Interest rates, if not on the point of coming down, are not about to go up - and inflation is perheps under

control. The spillage of optimism into the London markets was all the more pronounced because of the resilience of sterling. True, it gave ground against the dollar - falling on Wednesday to its lowest level against that currency since August 1987 — but it held its own against the D-Mark and on a trade-weighted basis. The infla-tionary implications of a higher dollar seemad more threatening to continental European economies.

There was thus e degree of surprise that the German

Bundesbank did not increase its interest rates after its council members met on Thursday. A positive development for the London markets; the threat of a sympathetic rise in base rates receded and equities took cheer. FTSE climbed 21.5 points to 2177.3 and continued to rise yesterday, ending another 27.4 points ahead at 2204.7, up 69 points on the

"No fool wants to miss out on a fool's rally," observed one commentator yesterday. He was not alone in thinking that the market has started to look "toppy." According to Ken Inglis of UBS Phillips & Drew, share prices show "a touching faith among investors that a whole host of problems afflicting the UK economy will just

disappear."

Jeffrey Thompson of Barclay
de Zoete Wedd agrees: he
thinks it inappropriate for
shares prices to be standing on
a 13x historical multiple and

yielding just 4 per cent - lev-

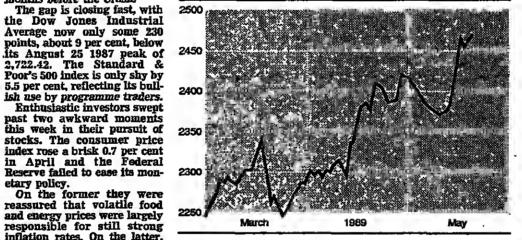
HIGHLIGHTS OF THE WEEK

	y'day	on week	High	Low	
FT-SE 100 Index	2204,7	+ 69.0	2204.7	1782.8	interest rate fears recede.
Antier	315	+ 115	320	151	Agreed bid from Wassail.
Budgens	109	-37	169	106	William Low bid withdrawn.
Burmah Off	817	+56 ¹ 2	617	480	Selis 50% of LNG business to Mitsui.
Caird Group	510	+66	512	305	Waste disposal companies strong.
Cons Gold Fields	1253	-77	1478	1155	Minorco bid withdrawn.
Lacibroke	62712	+48 ¹ 2	636	424	Bonus share issue/firm trading news.
Miss World	613	+70	818	433	Citicorp 'buy' recommendation.
Nu-Swift	488	+47	488	385	Sumper interim profits.
REA Hidgs.	233	+52	233	171	Sells stake in Anglo-Eastern Plants.
RHM	450	+103	450	341	S'dale buys 30% stake from GFW.
RMC	810	+84	814	503	Govt to double spanding on roads.
Rechem Enymti,	865	+131	708	314	Almost doubled profits & dividend.
STC	379	+37	384	26112	Talk of Imminent joint ventures.
Utd. Scientific	155	-26	214	138	Warning of losses/figs. due Friday.

WALL STREET

Spare a tear for the arbitrageurs

Dow Jones Industrial Averages



Feeling sorry for risk arbitragenrs may seem an unseemly display of compassion, but they have had their problems. Takeover volume is well down so far this year and many deals have blown up in

their faces They had a rough week with Amway aborting its offer for Avon. What kind of salesman is Amay, the market won-dered, when it cries off the first time someone slams a door in its face? Avon's stock plunged more than \$7 to \$38 despite its management's promises to do better for shareholders than the \$39

offered by Amway. Arbs' losses on the week were probably well-above. \$500m, some calculated. Avon was not the only big hit. New-mont Mining's shares sank \$10 to \$45 7/8 after Minorco gave up its bid for Consolidated Goldfields.

Although interest rates are easing, the cost of financing takeovers remains higher than last year. Coupled with loftier stock prices, the two factors have distinctly chilled the takeover market.

In the first four months of this year only 661 offers worth \$123.9bn were made compared with 896 worth \$279.3bn in the last four months of 1988 according to figures compiled by IDD Information Services. The figures mis-state the true stock market activity because in addition to offers for complete public companies. they also capture offers for

divisions and private compa-nies. It is bad news for the

2,463.69 + 24.19 2,453.45 - 10.44 2,462.43 + 8.96 2,470.12 + 7.69

Roderick Oram

Uncertainty keeps brewing sector in ferment

UNCERTAINTY of any kind is not good news for the investor. particularly for the smaller ones who do not have access to Stock Exchange screens. When an ingrediant is politics, a capriclous business, uncertainty can be a heady brew.

Sucb is the case at present for Britain's brewing industry, where the investment cloud cast over the sector because of the Monopoly and Mergers Commission's report has intensified over the last few weeks.

This is because Lord Young, the Trade and Industry Secretary, lobbied by the industry and back bench Tories, has agreed to listen to suggestions from the industry as to how alternative strategies (to those of the MMC) could achieve the same objectives. The MMC's report advocates e radical shake-up of the brewing industry in order to introduce greater competition, particu-larly among the "big six"

brewers.
Lord Young said in March, on publication of the report, that he was "minded" to accept its recommendations and several City analysts and institutional investors fairly confi-dently compiled their lists of winners and losers in the investment stakes.

One recommendation in particular, that the eix major brewers should not each be able to own more than 2,000 pubs, particularly excited the City. The logic was that some businesses, like Whitbread or Bass, two of Britain's biggest brewers, would be worth more if they split their businesses. If Whitbread, for example, divested itself of its brewing business, analysts have argued, shareholders would be left with the retail division,

which would be re-rated as a

leisure industry, not a brewer. Similarly, if Bass floated off its

brewing business shareholders

would stand to realise the considerable inherent value of the Such an analysis begs the

question of which companies would be interested in acquiring the assets to be sold. Analysts and the industry suggest foreign brewers as possible purchasers. It could be argued however that no public company other than Heineken, the Dutch brewer, would be interested in acquiring Whithread's brewing assets. Whitbread brews Heineken under licence. However, such speculation has been dampened in the past few days by uncertainty over whether or not the recommendations will be implemented. The industry is currently in negotietions with Lord and speculation will inject a Young's department and com-promises may be struck that those businesses which are wster down the original heavily exposed to the sector.



Excluded from this list would It is likely therefore that for be drinks groups like Guinness the next few months rumour and Grand Metropolitan,

whose exposure to the vagarles of the Commission are more

Whatever the outcome of the

deliberations between the industry and the Government, investors have been forced to look at asset values of brewers, particularly the big six, and apply different prospective multiples to the various parts of the business. Indeed, Ian Prosser, chairman of Bass, in announcing his group's results this week, asked the City why it did not re-rate his group, given that the profits were aiready there.

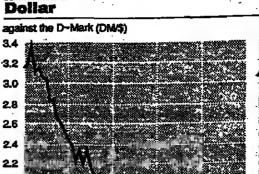
Bass, along with Whithread. have core strengths in its brewing and retailing divisions with Bass the quality performer this week when it turned in profits before tax for the 28 weeks to April 8 up 46.5 per cent from 2197m to £288.6m. Both Bass and Whitbread - which increased prof-

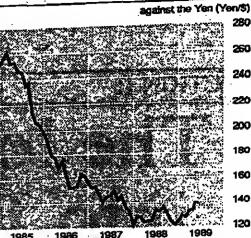
its by 19 per cent for the year to February 25 - increased their market share of a static beer market and said that they were investing heavily in the marketing of their brands.

Should the MMC proposals as currently constituted be implemented, Bass's brewing division, with brands like Carl-ing Black Label and Tennants lager, would be well placed to rapidly increase its share of guest beers - that is, beers other than the brewery owners' brands - although profit-ability could be dented by intense competition.

The introduction of guest beers into pubs could put severe margin pressure into the industry with a price war. Those many regional brewers without strong management and strong brands stand to lose most in such a battle.

Lisa Wood





tor. The implications of this els last seen in the bull market have not been absorbed by the of 1986 and early 1987.

Perhaps the key problem facing the UK economy now is London equity market."

A positive factor for the market is that institutions are awash with cash and that the inflation. The worry is that the measures adopted to tackie it could bring about a significant odd mega-bid is in the offing. True, the UK's biggest-ever foundered this week in the US alowdown in economic growth, prompting a "hard landing" in the aftermath of last year's courts; however the formidable Sir James Goldsmith this week made his first aggressive move,

1987:

1989

some two months after he

announced a return to the UK

bid scene in partnership with

Jacob Rothschild.
The £3.5bm bid for Consolidated Gold Fields from

"No fool wants to:

miss out on a fool's

rally," observed one commentator

Minorco collepsed late on Tuesday after Judge Michael Mukasey in New York refused to remove an injunction pre-venting the bidder from buying

any more shares in its target. The hid thus lapsed — despite the fact that 55 per cent of Gold Field's shareholders had

opted for the takeover. Advisers gleaned some £50m in fees,

The Goldsmith/Rothschild

duo made e spectacular – if slightly puzzling – interven-tion into the Banks Hovis

McDougall saga. The Mr Kipl-ing cakes to Mothers Pride group had attempted to turn the tables on Goodman Fielder

it emerged on Wednesday.

Yesterday's inflation figures were exceedingly disappoint-ing. They showed a 1.8 per cent increase in prices from March to April and an annualised increase of 8 per cent, compared to the 7.9 expected. Nigel Lawson, the Chancellor, said at the time of the last Budget that inflation would peak at 8 per cent before dropping back to 5% per cent in the fourth quar-ter of the year and 4% per cent in the second quarter of next year. Such figures would seem increasingly difficult to deliver.

Thursday's labour market figures told the same story. Theyshowed unemployment for April at 1.85m, its lowest level since November 1980. This suggests e constriction in the supply of labour which combined with the ever increasing spiral of pay settle-ments, means that inflationary pressures abound.

"While I do not think interest rates will go up," argues Inglis, "they ere not likely to go down for some time. Growth will slow from 5 per cent in 1988 to 3% per cent this year to 1% per cent in 1990. This is not a soft landing and the pain will be born by the corporate sec-

offers but not as bad for Wall Street firms which are increas-ingly dependent for their profits on mergers and acquisi-

Alain Lebec, Merrill Lynch's co-head of mergers and acquisitions, said he is as busy this year as last, although big block-buster transactions are absent. "We're as busy on bread and butter deals of \$100m to \$500m as we've ever been," he said. There is no slow down at all in the divesti-ture of divisions. "The recyclvery notes Lebec. Companies buy rather than build new elements they consider central to

their strategies. Ronald Freeman, head of international mergers and acquisitions at Selomon Brothers, said such "strategic bnyers are increasingly visibla" compared to financial players who are in the game for the takeover profits. The best recant example, he pointed out, was this week's agreed \$864m purchase of Ogilvy Group, the US advertis-ing and services firm, by WPP, tha UK marketing services

Some analysts say the big takeovers disappeared shortly after the record breaking \$25bn leveraged buyout of RJR Nabisco, the tobacco and food proup, launched last antumn. They argue that some would-be buyers turned cantions about the chances of making the deals pay off before the economy cools

In contrast, many investors are taking a far more cheery view about their stock purchases, judging by the mar-ket's continuing rally. Perhaps next weekend chould be

They realised that although

buying companies for their tax losses, the difference in tax laws between the UK and the businesses (a loophole which has now been blocked). The plan, first put in prac-

tice in the case of American Electronic Components, was to dispose of existing assets and buy a US business that

Wattie - an Antipodean group which owns 29.9 per cent of RFIM and last year failed in a 81.7bn offer for the UK com-pany — by launching e fl.3bn bld for Goodman Itself. But Goldsmith, in alliance with Kerry Packer, Australia's richest man, spent £415m on acquiring Goodman's stake.

It is not clear what Goldmith & co want out of the situation – but monetary gain is likely to fairly high on the list of priorities. Martin Sorrell, every bit as

as adept a dealer as Goldsmith, took the WPP edvertising group another huge step away from its roots as a manufacfrom its roots as a maintacturer of shopping trolleys. WPP — which in 1987 bought J. Walter Thompson — marched into Madison Avenue sgain with an agreed bid worth \$364m (£527m) for the Ogilvy Group, overcoming what had originally been the strenuous objections of David Ogilvy, the firm's founder.

firm's founder. On Monday, announced interim profits up 25.6 per cent to £447m - an indicated that its acquisitions war-chest now stood at £4bn in cash. Allied Lyons disap-pointed with e 15 per cent rise to £502m at the halfway stage. Full year results from J. Sainsbuty surged by more than 20 per cent to £375m. Lourho's interim pre-tax profits seemed disappointing despite a rise from £80.4m to £120m.

David Waller

JUNIOR MARKETS

A full circle of intrigue

THE SECRET of an ambitious appeared to be low risk low business chasing an impover-ished, wholly unrelated combut relatively common one.

However, when an Indiana-based switch manufacturer tied the knot with one of the most depressed oil companies on the UK market in 1985, the deal set a new standard in financial engineering, thanks to its adroit manipulation of \$21m of tax losses. And since then the progress of this oddly-matched pair has been equally unconventional, having involved four owners in less than two years.

The company, renamed American Electronic Components; started off its newlymerged life on the USM, but in mid 1987 it was bought by Burgess, an electronics company. Burgess merged with RHP to form Pilgrim House Group, which was bought by Williams Holdings, the industrial conglomerate. This week, Williams amounced it was selling the group to e management-led team for \$40m (£24.1m) - less than half the price paid by Burgess.

The management, the same

team that sewed up the origi-nal deal, now promises to turn the affair full circle by bringing the company on to the USM in the next two years.

It so, it will add to a set of intriguing and distinctive companies on the USM. This cadre of companies - which go by the resonant names of American Plastic Technologies. American Business Systems and American Distributors – have been forged by the same team of financiers and boast similar histories.

The origins of these compa-nies go back to the pioneering days at the start of the decade when US oil companies were all the rage with UK investors. By the mid 1980s most of these enterprises had come to e sorry end, dragged down by dry wells, drastic write offs, and the oil price slide.

But one useful side-effect of all this carnage was an accu-mulated pile of tax losses, the potential value of which was potted by two financiers associated with MIM fund managers, Mark Vanghan-Lee and Christopher Mills

American legislators had tried to block US companies from

technology and highly cash ished, wholly unrelated com-puny for the sake of its stock exceedingly low tax bill which cash flow, which would, in turn, fuel rapid expansion.

The second company to receive this treatment was American Business Systems, which rose from the ashes of New Court Natural Resources, another bombed-out oil company. In December 1986 it moved down from the main market to the USM, made a heavy rights issue and bought Danka, e US office equipment distributor, for \$15.5m, which it has expanded through a steady flow of acquisitions.

Their next target was Sapphire Petroleum, another USM-quoted disaster story, the main assets of which was e \$37m tax loss. After scouring the country for a suitable partner and being gazumped on their first choice, they found Golden Distributors, a tobacco and confectionery distributor.
Since then the business has

made a string of acquisitions that has extended it through Massachusetts, New York, Philadelphia and New Jersey and allowed it to make cost and efficiency savings through consolidating operations into just three warehouses. As well es geographical expansion. es geographical expansion, it aims to move into groceries, which will lessen its depen-dence on the tobacco market. dence on the tobacco market.

The next deal orchestrated by Vaughan-Lee created American Plastic Technologies and was sealed just before the 1987 Crash. In the first transaction which did not make use of an existing shell, it used a MIM controlled private oil company with \$9m tax losses, into which was injected a family-owned. was injected a family-owned plastic injection moulder based in Ohio.

The latest company to receive the attentions of the Vaughan-Lee treatment is Amercoeur Energy, a loss-making third market mining group. Sinca Vaughan-Lee became chairman last October it has raised £700,000 through a rights issue to reduce borrow-

ings and finance acquisitions.
How successful have these
ventures been? In most cases, the trading performances of the new businesses have been more than satisfactory, although the share price per-formances have generally been unexciting.

But, in general, investors could be forgiven for being a laws between the UK and uncompanies with the original experiences with the original companies and the patchy record of US acquisitions by Civen the gener-UK groups. Given the generally dismal record of US companies traded on the USM, it can only be hoped that these will buck the trend.

Vanessa Houlder

IN THE NEWS

Fee-free share deal

enables you to get rid of your privatisation shares without paying any dealing expenses or VAT, and invest the proceeds in the TSB range of unit trusts, investment and pension plans

and life assurance schemes.

The scheme applies for holdings above £250 in the case of privatisation shares, with TSB paying the full stock market offer price and waiving all charges - while at the same time, of course, wooting inves-tors into its range of products.

If you want to sell other shares in exchange for TSB products, they are subject to a minimum of 2500 and a broker-age fee which amounts to 216 (plus VAT) on transactions below £3,200 or 0.5 per cent (plus VAT) above that

SVENSKA, the UK-based private client stock broking sub-sidiary set up by the Swedish bank group in 1986, has started an international portfolio man-agement service for investors with a minimum of £250,000 and for intermediaries who can pool several clients to match the minimum requirement, The International Invest-

ment Strategy service consists of a portfolio of international equities and bonds and claims to be "very conservativa" in outlook. Svenska will charge s standard commission rate rather than a management fee.

THE RESERVE TO THE PROPERTY OF THE PROPERTY OF

MIDLAND BANK has reduced the interest rates on its high interest deposit bond. This means you will now receive between 8.75 per cent and 9.6 per cent net, depending on the term of the investment.

Investors can place a minimum of £2,000 in the bond for either six or 12 months, and interest is paid - at a fixed rate - either monthly or at the end of the period. So if you put your money in the bond for six months, you will now receive a rate of 9.6 per cent net at the end of the term or 9.0 per cent net if you receive the interest

The corresponding net rates for money invested for one year are 9.25 per cent and 8.75.

So far, Midland says the high interest bond has attracted more than £120m from inves-. tors since it was launched at the beginning of the year.

EXPATRIATES who face the risk of contracting AIDS or becoming HIV positive by whatever means while they are working overseas may now be covered by a new insurance scheme available to certain

amployers. The plan takes care of repatriation and resettlement costs incurred by the employer provided the company is a mem-ber of Employment Conditions

Abroad.

It pays up to £25,000 to the employer to cover the cost of rapatriating an infected employee and his or her family, as well as the cost of replacing them overseas. In addition, affected employees (or their legal representatives) may receive up to £25,000 towards repatriation plus whatever is left over from the £25,000 that the employer is entitled to claim.

The premium for this cover

The premium for this cover is 250 per annum per person working abroad, or 275 for a

family. Overseas Health and Medical Services, which provides the insurance, hopes to widen its msurance, nopes to when its availability in future so that other people who may face the risk of infection in the course of their normal work (ambulance workers, for example) lance workers, tor could also be covered.

ALLIANCE & LEICESTER building society has started a privata medical insurance scheme intended as a back-up if the treatment you require cannot be provided by the NHS within six weeks of diagnosis. HealthCare Plus provides up to £8,000 basic cover for in-patient treatment, and up to £16,000 if you require cometic surgery due to an accident or

surgery due to an accident or open heart-surgery. The benefit is doubled if further complications arise which were not evident at the time of surgery. The schems also includes

cover for immediate treatment in a private hospital while you are travelling abroad, and up to £35,000 in repatriation cover. MIM Britannia has decided to

lower the minimum invest-ment for three of its Far East-ern funds by linking them together in a bid to attract more customers. So, if you want to invest in

all three of the following - the Japan Performance Trust, the South East Asia Growth Trust.

invest a minimum of £1,000

which will be split equally between the three funds. Normally, there is a minimum investment requirement of £580 in each of the funds (making the total minimum investment £1,500).

The Japan Performance Trust came top out of the UK unit trusts invested in Japan over the last ten years (\$1,000 invested ten years ago, with net income reinvested, would now be worth \$12,177, according to Money Management) ing to Money Management).
Looking at the performance over the last year, the fund has topped the list of Japanese growth funds.

The South East Asia Growth
Trust ranks as the top performer in the Far East sector,
with £1,000 invested a year ago
(net income reinvested) now worth £1,571.

worth £1,571.

The Singapore ASEAN Growth Trust, however, which invests in Singapore, Malaysia, Thailand, Indonesia, Brunei and the Philippines, only ranks thirteenth in the same sector if you look at the performance in the last year — in fact, £1,000 invested a year ago would now be worth £1,413. So the scheme appears to be

a means of luring more inves-tors into one of the less suc-cessful funds using the star attractions of two of tha group's higher performers.

FOLLOWING the successful performance of its UK Growth Fund and more recently launched UK Income Fund, Arkwright Management, a subsidiary of stockbrokers Henry Cooks Cooke Lumsden, has branched out abroad with the launch of an International Fund.

The new unit trust will be managed by Bessemer Trust of New York, an investment company set up originally to look after the interests of the Bessemer Steel family.
The fund will initially have

30 per cent of the money invested in North America, 25 per cent in Japan, 4 per cent in other Far Eastern markets, 26 per cent in Europe, and 10 per cent in the UK, with the remainder held in cash.

There is an initial charge of 5.25 per cent and an annual charge of L5 per cent.

OVERDRAFTS are a relatively cheap way of horrowing money, right? Not according to the big retail groups who issue store cards and are themselves often attacked for charging exorbitant rates of interest.

They say that bank overdraft rates can be far higher. This week the Retail Credit Group, an association of big retailers such as Marks & Spencer, Kingfisher and Burtons, published a broadside

against the banks. The main point it makes is that the public does not fully understand how payments for overdrafts compare with other forms of borrowing because overdraft charges are not expressed as an annualised

percentage rate (APR).
This is because overdrafts from the banks are not covered by consumer credit regula-tions. The retailers think they

should be.
Overdraft charges have long been a murky area for bank customers. This is partly because overdrafts are seldom a calculated form of borrowing. People stumble into them either because their finances

Call for the real cost of overdrafts to be revealed

Bank borrowing blues

looking very carefully at their outgoings and not very worried limits. about slipping into the red by a hundred pounds or two.

In the past, banks generally encouraged this process by including overdraft charges as a lump sum on the statements of their customers.

The "new wave" current

accounts have made it much easier to understand what is being charged and why.
Lloyds Bank has gone
beyond this to offer its small husiness customers a break-down of their overdraft

But this does not make the charges on overdrafts anything they would be if an APR had to be expressed with them. The snag is that it is not easy to do

The old-style hank over-drafts tend to combine monthly interest with transac-tion charges and some other charges, for instance for writare fundamentally swry, over-stretched perhaps hy school fees, or — Worse still — because they are simply not ing warning letters to custom-

The newer overdrafts still have a monthly interest chargs, combined with a monthly fixed charge. Customers who run np over-

drafts of more than £100 without prior agreement from the bank may also face other pen-alties, including the familiar charge for angry letters.

How do you turn these variable charges into APRs? The retailers point out that when a fixed charge is involved, the less you borrow, the higher the interest you are paying.

Calculating APRs is not simple and has been known to lead to serious disputes in the past. But the banks do not appear to dispute the retailers' calculations for rates of interest for overdrafts of £100, £250, £500,

These give a horrific APR of 116.5 per cent for someone who borrows £100 on s Midland Orchard account, which falls to 31.6 per cent for borrowers of

more than £750. For National Westminster's credit zone, APRs vary from 48.8 per cent on £100 to 25.7 per cent on £750. The higher rate is well above any credit card, while the lower one is just under the rate of interest charged by the large credit

card companies. Does this mean that you would be better off borrowing through a store card or credit

Not at all, say the banks. A NatWest spokesman this week said that overdrafts and credit cards were "as different as chalk and cheese."

Midland Bank also agreed that the two were not strictly comparable. There are an swful lot of things which come with a bank secount which you do not get from s credit card.

The retailers' basic point is that the different types of borrowing are in fact in competition and this is obscured by the different pricing arrange-ments which operate at the

The APR is the common easure of price in the credit business and the retailers believe that it should be uni-formly applied. They say that the fact that customers now face several scattered charges makes the need for some kind of total charge calculation even

more imperative. The argument that customsrs do not know in advance how much they are going to borrow on ao overdraft and that the rate they are charged depends on this is somewhat spurious.

It is quite easy to set up tables showing what the rate will be for each £50 borrowed. It would take a change in the law to compel the banks to do this, but there is nothing to stop any of the high street clearers doing it for them-

Barclays and Lloyds last week drew comfort from the fact that the retailers had not pointed the finger at them. But as it is impossible for ordinary mortals to calculate APRs unaided, it is anyone's guess if their rates are significantly better than those of Midland and NatWest.

David Barchard

Solicitors move into mortgages

GO TO YOUR local solicitor for solicitor's client, who can also a mortgage. That is the latest then take "hest advice" via idea being promoted by the Solicitors' Financial & Propment vehicle to go with the

The company was set up by the Law Society last year to expand the solicitors' role in giving independent financial advice to their clients.

It has already established a link with Sedgwick Financial Services to provide "best advics" in recommending financial products to solicitors'

Now it has made arrangements for its members to obtain mortgage funds direct from three lenders - Barclays Bank, Mortgage Corporation and Nationwide Anglia Build-

David Hunt, marketing director, said that the three enders had deliberately been chosen to cover all three sectors of mortgage providers -the hanks, building societies and new centralised lenders. A mortgage guarantee certificate confirming the amount of the loan will be isseed to the

mortgage, unless a straight repayment home loan is selected.

The big advantage of dealing via a solicitor is that under Law Society rules solicitors must reveal any commission they may receive in a "hard" disclosure manner: in other words, in a way that you can understand.

As you know how much commission the solicitor is being paid, you can then nego-tiate on the fee payable for providing the service. Yon should also receive truly independent advice, since solic-

itors cannot be "tied" to sell or recommend financial products from one particular company. The disadvantage is that most solicitors do not have the expertise of good financial advisers because they are basi-cally relying on third parties,

such as Sedgwick. So far Solicitors' Financial & Property Services, which is a



David Hunt

non-profit making organisation, has signed up around 500 practices, mainly in the prov-inces. This is out of the total of 8,000 or so in Britain, including

3,500 sole practitioners.

Hunt hopes that the move into mortgages will further the cause of solicitors providing a one-stop independent financial advisory service.

This may help to offset the impact on solicitors of plans to allow the banks and building societies to move into convey-

Fund to offer regular income

launching oo Monday a fund of funds called the Holborn Trust, which will invest in the group's existing range of 13

unit trusts.
A special feature of the fund is the cash release system. It allows you to plan how much income you want to withdraw from the pareot Holborn Trust fund on a monthly, quarterly, six-monthly or annual basis instead of depending on income paid in the form of fluctuating distributions from the underlying funds.

The income generated by the underlying funds is reinvested in accumulation units which investors can cash in at set

intervals. Minimum investment is £1,000 or £50 a month. Charges are at the upper end of the scale - there is a 6 per cent initial charge and an annual management charge of 1.5 per

This seems a lot to pay for a fund which will be based on an John Edwards uninspiring recent performance record. The Holborn

three-year figures, but recently their performance has tended to be around or below average. At the same time, the performance of the funds of funds sector has been uninspiring.

The Pru's withdrswal scheme, allowing investors to redeem units regularly to provide an "income", works as follows: those investing £2,000 can receive payments twice a year, while anyone who opts for monthly payments oeeds to have invested a minimum of

If you keep withdrawals within the annual £5,000 CGT free limit, your "income" is

effectively tax free. The disadvantage, of course. is that the regular redemptions could reduce your capital to nothing in a long bear market. The Pru recommends a maximum withdrawal of 8 per cent

Investors can buy units for an initial price of 25p per unit between May 22 and June 11.

Christine Stopp

INVESTMENT MANAGEMENT SINCE 1908 INVESTMENT MANAGEMENT SINCE 1908 THE SCOTTISH MORTGAGE

An international investment trust. Objective: growth in both dividends and capital values. Total assets £653 million.

AND TRUST PLC

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INVESTMENT MANAG To: Michael Usher, Ballile Gifford & Co. 3 Glenfinias Street, Edinburgh EH3 6YY A copy of The Scottish Mortgage and Trust PLC Annual Report 2 Details of The Baillie Gifford Investment Trust Savings Scheme Name BLOCK CAPITALS PLEASE

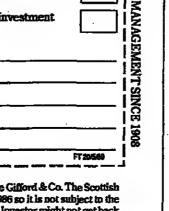
16.1%

14.4%

100.0%

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INVESTMENT MANAGEMENT SINCE 1908



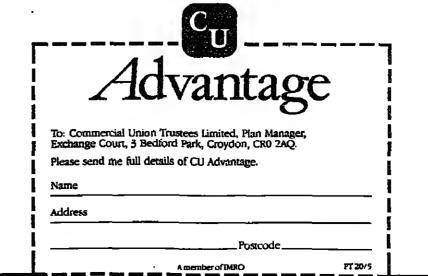
"Every advantage has its tax." Except this one!

Famous writer Ralph Waldo Emerson penned the quotation in 1841 - so he can be forgiven for being unaware of the advantage which has no tax and no PEP management charges. CU Advantage.

CU Advantage is a unit trust PEP invested in any one of six UK funds offered by Commercial Union Trust Managers. In the 1989-90 tax year, you are allowed to invest as little as £25 a month, or as much as £2,400 as a lump sum. And, because it's tax free, any money you invest in Advantage should grow faster than money invested in taxed investments.

The price of units, and the income from them, can fall as well as rise.

For a copy of the explanatory brochure, call 01-681 2222. Or return the coupon to CU Advantage.



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BELL SAVINGS

BANK

HIDROELECTRICA

Appointment of shareholder-auditors for 1989.

amending, if necessary, Article 5 of the Bylaws.

Approval, if appropriate, of the Minutes of the Meeting.

ANNUAL GENERAL MEETING

30, 1989, in Madrid, at the "Palacio de los Deportes", Avenida de Felipe II, 19, at twelve noon; if there is no quorum on that data, the Meeting will take place on May 31, 1989, at the same time and place.

Provision to the Legal Reserve with a charge to unrestricted reserves.

The Board of Directors hereby announces that the Annual General Meeting will be held on May

To examine and, if appropriate, approve management's conduct of the business in 1988, the 1988 Annual Report, Balance Sheet and Statement of Income and the proposed

Amendment of Articles 2, 5, 7, 8, 9, 14, 16, 17, 18, 20, 21, 22, 34 and 42 of the Bylaws.

Authorization, in the broadest terms, to the Board of Directors, superseding, for the portion not used, the authorization granted by the Annual General Meeting on June 17, 1987, to create, issue and leunch, pursuant to the provisions of the Companies Law, the Mercantile Register Regulations, the company regulations of the European Community and other

current legal provisions, debentures, bonds, promissory notes of other securities or financial instruments, whether ordinary or quarantsed in any way and whether convertible or

To empower the Board of Directors to supplement, execute and implement the foregoing resolutions, amending them technically, if necessary, and to do whatever may be appropriate for these purposes to carry such resolutions into effect.

The Board of Directors has resolved to pay an attendance fee of Pias, 2.50 per share to shareholders present or represented at the Meeting.

Pursuant to the provisions of Article 16 of the Bylaws, there may participate in the

exchangeable or not into or for, and whather giving entitlement to acquire or subscribe or not, sheres of the Company or of other entities, and likewise empowering the Board, if

appropriate, to create, issue and launch such number of shares as might be required by means of the capital increases and amendment, as necessary, of the Bylaws.

Authorization, in the broadest terms, to the Board of Directors, superseding, for the portion not used, the euthorization granted by the Annual General Meeting on June 17, 1987, to increase capital stock, et its discretion, on such conditions as it deems appropriate, at one or several times, by means of monetary or nonmonetary contributions, or even with a charge to reserves, in accordance with the conditions stipulated in E.C. company regulations,

ESPAÑOLA

Agency. Full details on request.

FINANCE & THE FAMILY

The Week Ahead

Takeover stocks add spice to speculation

dollar plays pepper next week's financial results. With the two hig food groups, Associated British Foods and Ranks Hovis McDougall, the spice is in the speculation, rather than the profit figures which are com-

ing up.

ABF (finals, Monday), is not going to disappoint anyone if It produces the £230m. pre-tax, up from £210m, that the Panmure Gordon food team are expecting. As its chairman, Garry Weston, has pointed out, there are performance limits on a company which is dependent on bread and milling, and which has half of its assets in the gilt-edged market.

The group had nearly £lbn of cash and near-cash a year ago but, like Hanson, it has not saying here. seemed keen lately to get into a takeover merket in which cash prices are inflated by leveraged buy-outs.

RHM hit the headlines this week when Sunningdale Holdings, the new takeover vehicle for the partnership between Sir James Goldsmith and Jacob Rothschild, acquired the 29.9 per cent stake in RHM held by Goodman Fielder Wattie, the once-predatory Australian group. The interim figures, expected on Wednesday morning, are not new. RHM estimated not less than £81m (against £72.5m) for the first when it turned the tables and

Panmures say that the British company has above-average earnings prospects, exclu-ding GFW. They are not alone in that, but attention is going to centre in the short term on the Sunningdale move, and

RHM's response to it.

British Airways (Tuesday)
used to be a dollar play but people talk about traffic in intercontinental, rether than transatiantic terms these days, with their minds on Japan Australia and Europe as well as the US and the UK. The market in BA has been more concerned lately about fuel costs, after the recent rise in oil prices.

Analysts say that these will hit the first quarter of the cur-rent year. Meanwhile, the final three months of 1988-89 take in the lowest traffic levels; but the BCAL acquisition should have improved its traffic and trading compared with last year, says Christopher Will of Shearson Lehman Hutton. Will expects an £8m loss for the group in the March quarter compared with a £39m deficit previously, putting his annual estimate in the middle of the market range at £265m (£228m) for the full twelve months. The fuel price impact is expected in the current year,

tires are keeping the analysts optimistic, on balance. Courtaulds, says Peter Hyde

but buoyant April traffic fig-

Share price relative to the

FT-A All-Share Index

ehare price performance has not got worse. However, sterling's strength against Far Eastern currencies, and the imports that this has attracted, have exacerbated the downswing in the UK textiles cycle. Hyde expects pre-tax profits to be down from £221m to £190m on Wednesday.

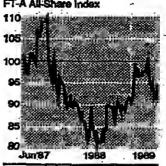
the French franc and the Span-

ish peseta; and certainly, as the dollar has improved in

recent months, the company's

On the same day, BAT Industries produces its first quarter results for calendar 1989. Paul Burke of KBR expects its pre-tax profits to rise from a re-stated £277m to £315m pre-tax. BAT has been strong this week, and this year on the rising dollar, and the US contribution to these figures

BAT Share price relative to the FT-A All-Share Index



(\$1.81 previously). There have been certain con-cerns about the group's \$5bn investment in the Farmers Group of California, and the effect of Proposition 103, by which the state is attempting to impose cut-price underwrit-ing on local insurers. Some people were not too happy that BAT revalued its Farmers assets up by £1bn early this month; and that, on the next day, virtually all the principal provisions of Proposition 103 were npheld by California's

BAT will argue that the returns it is making in California do not deserve to be cut. In the meantime, the Farmers results will come into the quarterly figures and, as Burks points out, their accounting treatment may be the wild

card as far as his profits esti-mate is concerned. pany results, with MEPC and Imry Merchant Developers due mate is concerned.

The economic list will tell strategists something about

Lands had nearly a third of its £4bn property portfolio in City of London offices as at March 31 1988. Analysts have been saying lately that there is a serious threat of oversupply saving on Tuesday, in the Building societies monthly fig-ures for April. Ian Amsted, an economist with Chase Investment Bank, expects net new lending commitments by the societies to fall from £4.3bn to £4bn over the month, leaving a in the City of London office market. However, Selwyn Jones and Graham Stanley of each over the month, leaving a net inflow to savings of £750m.

They will hear about spending on Wednesday New vehicle registrations and provisional Retail sales for the same month — and then try to make sense of the Balance of negments figures on Thursday. Hoare Govett say that well-lo-cated City office buildings are still performing reasonably well; and that Lands will produce a net asset value of between 830p and 850p at March 1989 against 668p a year earlier, with another rise of 12 per cent in prospect for the paymentsfigures on Thursday. The Chase forecast is a £1.4bn

deficit on current account, and £1.9bn on trade, both figures current year. They note that Lands has about 3m sq ft of retail space which will be upgraded in com-ing years, and that the Central showing a deterioration of some £200m compared with the month before.

Amstad says that the March figures may have been distorted by a sharp rise in "erratic" export items, like aircraft components and jewel-London office development programme has been substan-

A late addition to the list lery; that there may be a tem-porary deterioration in the oil halance, following on the Cor-morant Alpha accident in the came from Plessey. Under siege from the combined acquisitive might of GEC and Siemens, the electronics group said that it will produce results on Monday. John Tysoe of Shearson Lehman is in print North Sea; and that April's imports may have been boosted in anticipation of a possible UK dock strike. The other major result of with an estimated 10 per cent increase in profits to £192m before tax, but he thinks now next week comes from Britain's biggest property com-pany, Land Securities, on Wednesday. Lands leads a that he might have shot a little

William Cochrane

of Kleinwort Benson Research, is eusceptible to the US dollar, bid for the unfortunate GFW. will be translated at \$1.69/£

Potential problem for PEPs

ANOTHER potential problem for investors in the new-style Personal Equity Plans (PEPs) has emerged. If you take out one of the stand-alone unit trust PEPs, with a maximum of £2,400, you may not be able to use the full annual allowance of £4,800 available.

The Inland Revenue has confirmed that investors are allowed to take out a PEP with only one plan manager each year. So if the plan manager only offers a unit trust PEP you may be denied the chance of buying individual shares under the PEP umbrella. Unit trust groups and life

insurance companies have been quick to jump on the PEP

bandwagon since the Chancel-lor in this year's Budget raised the maximum amount that could be put into stand-alone unit or investment trusts from £540 to £2,400. The increased amount that can be invested, and the removal of several restrictions, bas meant that stand-alone PEP unit trusts can be sold without any of the additional charges that previ-ously tended to offset the tax-

free concessions. PEPs investing in individual shares have not gained in pop-ularity to the same extent, however, as they remain rather complicated and a fairly costly way of dealing. So many groups offering unit trust PEPs

David Glasgow, of Kleinwort Barrington, said his group had delayed launching a unit trust PEP so far because it feared. denying investors the chance to use their full £4,800 entitlement if it was decided not to launch a share PEP as well. Mary Blair of Fidelity admitted that unit trust groups had

tended to keep rather quiet about the potential problem, since many of them did not necessarily want to launch a share PEP. It is worth checking, there-

fore, before taking out a unit trust PEP whether the group will also give you the chance to buy additional shares as well. For example there will be no problems with Brown Shipley, which is introducing on June 3 two new PEPs which will give you the chance to invest the maximum amount possible. The Personal Choice version allows you to buy just one share of £4.800; two shares of £2,400 or one share of £2,400. plus one unit or investment trusts up to £2,400. Alternatively, with the Trustchoice version you put in a lump sum of £2,400 or monthly payments from £100 to £400 into one of five unit trusts, and put a further £2,400 into shares.

Capital House, investment arm of the Royal Bank, is introducing a unit trust only PEP, called Capitalizer, which offers the choice of investing in

may well not offer a share PEP any three of its Income and Growth, Smaller Companies or UK Growth trusts. You can invest from a minimum of £500 per trust either by lump sum payments, or subscribe monthly, with a minimum of £30. Only the standard unit trusts costs are charged.

Prolific also will have no extra charges for its unit trust PEPs, in its High Income or Special Situations funds, available from July 3. Minimum investment will be £1,000.

Meanwhile the industry has until June 7 to comment on a consultative document issued by the Securities and Investment Board proposing new rules for selling PEPs. At present under the Financial Services Act PEPs cannot be sold by "cold calling" in the same way as unit trusts and life assurance products. But unit trust groups have pointed out that it is illogical, and against recommend what amounts to a

tax-free unit trust: As a result SIB proposes that "cold calling" sales of non-dis-cretionary unit trust PEPs only should be allowed, subject to the same restrictions applying to unit trusts. In other words there should be a "cooling off" period, during which you can change your mind, and exam-ples of the possible returns achieved should be based on standard industry rates. ...

ing £250,000 cover over five

years, Lutine would charge £56.15 a month for a non-

smoker, compared with 256 a. month from Scottish Equitable, now one of the cheapest life

companies in many term assur-

Eric Short

ance products.

John Edwards



mini-season of property com-

Acatos & Hutcheson Alexanders Holdings on Group City Site Estates 0.67

New Lloyd's life assurance offer

ANYONE eeeking term petitive rates offered by assurance contracts, either for Lutine. For man aged 45 seekhimself or for someone in whom he has an insurable interest, should consider the contracts offered by the life syndicate at the Corporation of Lloyd's. The premium rates are usually competitive, the terms flexible and underwriting is on more of an individual basis than that operated by life

companies. You cannot approach a Lloyd's syndicate direct, however, for cover or even a quotation. All business has to done through a Lloyd'e broker. Now the benefits of Lloyd's life cover are directly available to the public and non-Lloyd's brokers with the formation of the Lutine Assurance Services - a company jointly owned by seven of the eight Lloyd's life syndicates.

Lutine is based in Rirming-ham and will offer life business on the same basis as the syndicates. Anyone seeking term cover simply applies direct to the company. Since it does not have a branch network the transactions will be conducted by mail, telephone and fax.

The company intends its rates to sppear on the various life assurance networks, so the growing number of financial advisers using the technology will know about Lutine and what its rates are.

The company has produced seven term-assurance plans, from personal cover to Inheritance Tax Protection and Key-Man Insurance. The policies cover not only payments on death but also permanent total disablement and payments on serious illness, such as heart attacks or the terminal stages of cancer.

One example shows the com-

Moran holdings
Northern American Trus
Northern Indust Improv
Pericom
PWS Holdings
Radio City (Sound of M.
Ranks Hovis Mcdougail 8mart J & Co 20 1.7 0.5 2.15 *Dividends are shown not pence per share and a acrib issue.* Japanese yen. South Airican

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY (days) CLEARING BANK Deposit accor 3.88 6.32 8.64 6.96 7.36 7.90 8.30 1,000-4,999 5,000-9,999 10,000-49,99 BUILDING SOCIETY! 6.09 6.00 8.25 8.75 9.00 High interest accer 8.00 8.25 8.40 8.60 7.00 7.20 7.40 7.78 2.000 10.000 0.05 500-9 900 10.000-24,999 10.00 10.25 25,000 NATIONAL SAVINGS vestment account 6.46 7.28 9.09 5-100,000 monthly Capital bonds 2,000-100,000 12.00 9.00 7.50 100 min. 25-1,000 7.50 7.50 7.50 not applied 20-200/ MONEY MARKET ACCOUNT 8.76 10.23 -1,000 UK GOVERNMENT STOCKS 5pc Treasury 1986-89 8pc Treasury 1992 10.25pc Exchequer 1995 half yearly half yearly half yearly 7.78 10.62 8.03 9.48 9.04 8.71 8.24 3pc Treasury 1992 ... 8.21 8.06 *Lloyds Bank Halltax 90-day; Immediate access for balances over £5,000.9 Special facility for extra £10,000 §Source:Phillips and Drew. §§Assumes 5.0 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of besic rate tax.

deliberations of the Meeting shareholders that individually or on a group basis furnish evidence of ownership of or proxies for ONE HUNDRED or more shares at least five days before the appointed date of the Meeting, which they can do alther at the Company's registered offices at Calle Hermosilla, 3 or at the head offices or branches of Banco Bilbao-Vizcaye, Banco Español de Crédito, Banco Hispano Americano and Confederación Española de Cajas de Ahorros, where they will be furnished with an attendance card. The edoption of resolutions on the matters addressed in points 4, 5 and 6 of the Agenda will require a quorum, at the first call, of the holders of two-thirds of the paid-in capital and, et the second call, of the owners of half the paid-in capital. It the Meeting could not take place at the first call because of the tack of a quorum, an announcement so stating will be published in the newspapers of Madrid and the provinces. The documents referred to in Article 110 of the Companies Law will be available for inspection by the ehareholders in the Company's registered offices fifteen days prior to the . Pursuant to the provisions of Royal Decree 2288/1987, deted August 5, 1977, the Board of Directors has been advised by Counsel to the Board of Directors for the purposes of Article 1 of said Royal Decree with regard to this present announcement. Although this announcement envisages two calls in accordance with the Companies Law, the Board of Directors wishes to remind the shareholders, in order to avoid unnecessary inconvenience for them, that it is not normally possible at the first call to obtain the attendance quorum required by said Law and that, accordingly, in all probability the Maeting will be held at the second call on May As in prior years, and for the greater convenience of the shareholders and to avoid crowding at the entrande to the venue of the Ahnual General Meeting, the 1938 Annual Report and documentation will be hended out during the days preceding the Meeting at certain offices of the Company which will be announced in due course in the daily press. Madrid, April 27, 1989 By order of the Board SECRETARY

FINANCE & THE FAMILY

EMPLOYEES WHO have opted out of their company pension scheme - or decided not to join it — must take a decision in the next ten days which could affect their ultimate retirement income:

This is because the changes in this year's Budget intro-duced what is virtually a new tax regime for pensions

Under it, employees can receive a full pension of two-thirds of their final salary from the age of 50 — providing they have completed 20 years of pensionable service with the scheme and the employer is willing to pay the extra cost involved. Previous Inland Revenue restrictions on early retirement pensions would no

longer apply.
With this change, however With this change, however, the new regime also imposes a £60,900 "ceiling" on earnings for pension tax purposes. The tax concessions offered by pension schemes would apply only to an employee's earnings up to this ceiling.

Pension derived from earnings above this ceiling would have to be provided either on a taxed basis or an unfunded

taxed basis or an unfunded hasis. The Chancellor of the Exchequer did indicate that the ceiling would be revalued annually to allow for inflation. The new regime applies to all schemes set up from Budget Day (March 14), and all new entrants to existing schemes from June 1. Existing members of company schemes and those oming before June 1 will still be governed by the old regime with no earnings ceiling – hence the May 31 deadline.

High-earning employees

Eric Short on how the new tax changes will affect retirement plans

Countdown to pension D-day



because salaries rise in line

with the growth in earnings,

Over the past 25 years, earn-

ings have risen faster than prices - by 2.5 per cent a year.

THERE was good news this week for employees making high payments into an AVC

Contribution) plan to boost their pensions. The

reversal of its policy on employee contributions into

£60,000 ceiling in the Budget meant that an absolute limit

of £9,000 was imposed on the amount of contributions an

Line with all the Man Sont 22: now have not in some

Considering the most of the control of the control

employee could make to a

Government amounced a

a pension arrangement.

The introduction of the

not price increases.

who might be affected by the proposed "celling" now or in future but win are not yet members of their company scheme — have until June 1 to scheme – nave until June 1 to join the company, scheme under the old tax regime and escape the "ceiling" restriction. Many employees may feel that they do not need to worry or make a decision set because they earn less than 260,000 and the celling is linked to inflation. However, employ-ees should look to the future now and assess whether they may be affected at a later date. The Finance Bill, currently going through Parliament, confirmed that the revaluation of the pensions calling would be d on movements in the Retail Price Index This will not provide full protection against inflation, however, If this trend continues, the level of the ceiling in relation to all employees' earnings will fall each year. The pensions industry, led

by the National Association of Pension Funds (NAPF), has been bombarding the Treasury with figures which show the impact of the faster rise in

The accompanying table shows the current earnings levels at different ages which will reach the equivalent of the 260,000 ceiling by the age of 65
— assuming growth in earnings of 2.5 and 4 per cent above the Retail Price Index. Employees whose present earnings are above these criti-

cal levels can expect the ceil-ing to affect their ultimate pen-

the current tax year.

The pension industry and the Confederation of British

Industry protested strongly to the Treasury that this was

retrospective legislation. In this instance, the protests

have borne fruit. A letter from

Norman Lamont, Financial Secretary to the Treasury, to

general of the CBI, said that an amendment would be made

which would make the ceiling

Earnings at given ages equivalent to \$60,000 (in 1989 levels) on retirement at age 65

Present Age	212% real growth	4% real growth
65	80,000	80,000
90	53,000	49,300
55	46,900	40,500
50	41,400	33,300
45	36,600	27,400
40	32,400	22,500
. 35	28,600	18,500
30	25,300	15,200
25	22,300	15,200
20	19,800	10,300

sion hefore they reach retirement. They should also hear in mind that the first column applies to the average growth of earnings, hut many employ-

arrangement, including AVCs. on contributions applicable But the real shocker was that this limit would apply as from only to new schemes and new members joining existing schemes from June 1. Now executives and other

subject to the celling.

high earnings can continue with their existing pension planning arrangements.
Indeed, executives still not in an existing company scheme now have an added reason for joining one before June 1 so that their AVC

John Edwards

ees will do better than average - possibly from promotion or from being in a prosperous industry. The second column therefore assumes a 4 per cent growth over price increases, which brings the critical earnings levels down appreciably, particularly for younger peo-

For comparable figures for retirement at 60 instead of 65, simply add on five years to the ages shown in the table.

The Chancellor also boped employers would give members of existing schemes the opportunity to switch to the new regime. Employers cannot make any

decision, however, until full details of the Inland Revenue requirements are known. It is very likely that employees in company schemes under the old regime will be given the opportunity periodically to switch to the new regime. But a reverse switch will not be

So if employees ultimately intend to join their company scheme, there is little to lose and perhaps much to gain by joining before the deadline. These arguments apply with

even more force to family firms providing pensions through an executive pension arrangement, known as a Small Self-Administered Scheme. It is quite common for sons and daughters not to join the

scheme until the parents have

virtually relinquished control to their offspring. This delay could well he fatal. All potential members should be brought in

Policy holders 'miss tax relief' massive promotional campaign

MANY taxpayers who took the old-style pension plans before they were phased out last June may not be claiming tax relief, according to Neville Russell, the chartered accountant

Chris Jones, director of the firm's tax consultancy division, said thousands of people could end up paying too much tax because they have either got the wrong annual tax return form or else have no return at

Many people who took out these personal pensions (known as section 226 plans or retirement annuity contracts) for the first time last year may not realise that they had to inform the taxman specificially about the policy.

if the Inland Revenue was not informed, it automatically sent out a standard tax return form, which had no space to claim relief on the retirement

annuity. Those entitled to relief should receive a non-standard two-tone hrown coloured form. If you were eligible to claim carry back relief for the previ-ous tax year(1987/88), an additional form, number 43, was

required. According to the Association of British Insurers, more than 990,000 old-style personal pen-sions were sold in the first six months of 1988 following a

by insurance companies urging people to heat the June 30

By doing so, they would avoid the restrictions included in the new-style personal pensions, notably on the size of the tax-free lump sum that

could be taken.
Until April last year, personal pensions could only be bought if you were not in a company scheme, but for nearly three months from April to June the old-style retirement annuities became generally available to those leaving their companies' schemes and transferring to a

personal pension.

Jones believes that many first-time buyers of retirement annuities, who were rusbed into buying before the dead-line, may have forgotten to send the Revenue the tax relief form, SEPC.

This was often supplied hy the insurance company months in arrears. As a result, people received the wrong tax return

Although officially the annual tax return form should be returned within 30 days, if you think you are not getting your proper tax relief, you should contact your local tax

John Edwards

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

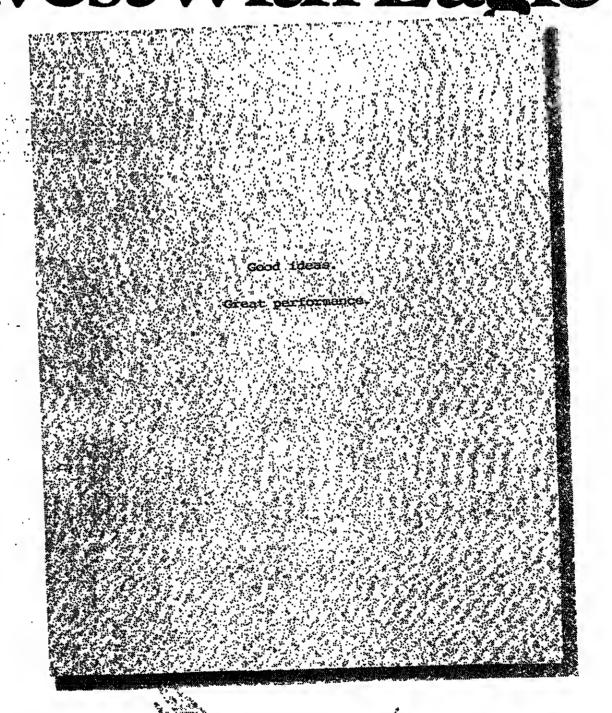
Company bid for	Value of bid per share	Market price	Price before bld	Value of bid fins	Bldder
Pri	ces in pen	ce unless	otherwi	se Indical	led
Ander .	314 · ·	314	203	18.40	Wassall .
Boase Massimi	345%	386	304	118.49	BDOP
Bosse Massimi	365	386	343 - :	125.35	Omnicom
Chamberl's Phipps	220	215 .	154	82.72	Evode
Chambers & Fergus	150%	147	148	7.23	Karlehamus
Gateway	195*	193	184	1.73bn	lececeles
Habit Precision	666	68	70	8.70	Epicure
Keep Trust .	550*	533 .	513	53.8	Fitzwillon
Lambert Howarth	16655	194	150	8.81	Black (Peter)
M6 Cash & Carry	155	150	142	13.02	Fitzwillon
Magnet	300°	295	289	548.22	DHWSL.
Marier Estates	100	101	987 .	78.31	Conrad Hidge.
Toolal	1415	129	132	399.06	Coals Vivelle
WA Hidge,	52 .	50 :	41	16.82	Haden MacLellan

*All cash offer.ffCash alternative, ‡Partial bid. \$For capital not already held.fun- conditional.**Based on 2.30pm prices 19/5/ 89.†At suspension. §§Shares and cash.

PRELIMINARY RESULTS.							
Сотрану	Year		neo)	Earn per sh	nge". re (p)	Divide per sta	
Addison Tool -	Dec	962	(573)		(-)		() : -
	Mar	502,000	(436, 100)		(38.3)		
Appleby Westwart		1,620	(960)		(12.1)		(4)
Bank of Ireland	Mar •	128,500	(108,900)	33.1	(30.2)	12.5	(11.7)
Berry Birch	'Jan	375 L	(622)	-	(8.9)	1.5	(4.5)
Bisichi Mining	Dec	132 ·	(107)		(0.88)	0.51	(0.47)
Cakebread Robey	Dec	946 .	(554)		(6.1) -:		(3.8)
Cator Group	- Mer	60,100	(84,400) `		(26.0)	17.6	
Choises Artisans	Dec	107 L	(224)		(8.3)	1.0	(1.0)
Ellott B.	Mar	4,440	(2,231)		(5.69)	3.6	(3.3)
Fine Art Develop	Mar .	22,630	(20,240)		(16.8).	7.75	(6.8)
Foster John	Mar ·	3,430	(2,271)	32.6	(23.7)	5.5	(4.75)
Gerrard & Nat	Apr#	: 1,700	(7,000)		(-)	18.5.	(16.0)
Gieves Group	Jan	2,080	(1,690)	13.5	(11.8)	5.0	(4.2)
Glamar Group	Mar	164 L	(1.080)	-	(9.24)	2.0	(6.7)
Globe Investment.	Mar	27,080	(24,573)	5.1	(4.72)	4.98	(4.51)
Harding Group "	Dec	1,250	(1.033)	7.15	(8.05)	275	(-)
Holmes Protect.	Dect	.9.300	(12,400)	.13.3	(18.0)	3.2	(3.1)
LEP Group	Dec	.18,480	(11,100)	11.5	(7.4)	4.75	(3.9).
MIL Research	Jan	2.610 .	(1.790)	15.4	(13.0)	4.6	(3.3)
Nu-Swift 4 =	Dec 1		(24,410)	38.3	(27.6)	15.0	(10.0)
Ocean Wilsons	Dec	8.020	(7.550)	2.68	(2.65)	2.5	(2.5)
Oglesby & Butler	Dec	920	(773)	6.91	(8.53)	2.156	
Quadrant Group	Feb		(2,140)	15.2	(11.5)	3.6	(2.8)
Rechem Enviro.	Mar	8.750	(4.510)	21.5	(11.2)	8.5	(4.5)
Seinsbury J.	Mar .	375,100		16.7	(13.8)	5.05	(4.2)
Seafield	Dec	1.000	(762)		(6.2)	0.2	(-)
Select Appoints.	April	5.810	(1.910)		(9.4)	3.5	(2.5)
Third Mile lay.	Dec	409	(384)	10.1 .	(12.6)	3.35	(3.3)
Vivat Holdings	Dec	12,680L	(3.270)		(5.51)		27
Warner Howard	Feb	4.240	(3,250)	12.5	(9.66)	3.75	(3.0)
Whitbread	Feb	223,200	(187.600)	36.0	(29.3)	12.55	(10.5)
Witan Investment	Aprt	11.310	(9.750)	-	(-)	3.125	

Exploration Co. GWR Hamson Holmos & Marchant Keystone Investments Kunick Metro Radio Group Middummer Lelsure Mortand & Co. NFC Overseas Invest. Tat Perpetual Priest Marians Hidgs Royal Insurance SAC International Summor International TMD Advertising TMD Advertising Ultimer Ultimer Mar 1,550 Mar 1,550 Mar 1,560 Mar 1,510 Mar 1,010 Tomkineons Mar 4,430 Mar 1,850	Pre-tex profit (2000)		dividence" per share (p)	
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Capital Radio Carra Militag Indust Carra Mar Spool Carra Sp	(197,000)	7.0	(5.4)	
Cerre Militag Indust Mar April 3,550 Concentric April 3,550 Concentric Mar April 3,550 Crystalete Holdings Mar 2,290 Delty Tolegraph Mar 5,500 Diplomis Mar 9,860 Exploration Co. Mar 554 GWR Mar 406 Hanson Mar 447,000 Helman Mar 447,000 Mar 683 Mictoummer Laisure Mar 401 Mar 683 Mictoummer Laisure Mar 2,110 Mar 683 Mictoummer Laisure Mar 3,790 Mictoummer Laisure Mar 3,790 Perpetual Mar 766 Perkway Group Mar 766 Perkway Group Mar 13,590 Royal Insuration Mar 1,010 Fob 1,860 Summer International Mar 1,010 TMD Advertising Feb 1,860 Summer International Mar 4,430 Ultramar Mar 3,200 Mar 4,300 Ultramar Mar 3,200 Mar 4,430 Ultramar Mar 3,200 Mar 3,200 Mar 4,430 Ultramar Mar 3,200 Mar 4,430 M	(1,430)	4.0	(2.4)	
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Pericway Group Mar 3,730 Perpetual Mar 768 Pricet Marians Hidgs Mar 13,590 Royal Insurance Mark 44,700 SAC International Feb 1,860 Summer International Mar 1,010 TMD Advertising Feb 1,810 IKL Land Mar 4,430 Ultramar Mark 32,200 Ultramar Mark 342,000 Vatex Group Mar 11,850	(263)	0.7	(0.5)	
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Unflever Mar¥ 342,000 Vaux Group Mar 11,850	(13,900)		(4)	
Yaux Group Mar 11,850			(-)	
THE CHAPTER STATE OF THE CHAPT	(9.875)	2.59	(2.16)	
4. A 1.7401 ·		1.0		
MARITHMENE INTERPRETATION OF THE PROPERTY OF T	(630)		(-)	
Phospoe April 1,520 Figures in parentheses are for the corresp	(760)	1.25	(1.0)	

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FT. 99

PROPERTY INVESTMENT & FINANCE

The Financial Times proposes to publish this survey on:

6th July 1989

For a full editorial synopsis and advertisement details, please contact: Joanna Dawson on 01-873 3269 or write to her at: Number One, Southwark Bridge London, SE1 9HL

FINANCIAL TIMES

FINANCE & THE FAMILY

Beverley Chandler looks at two offshore-based funds launched by Scimitar

Dipping into futures investment

SCIMITAR, the investment arm of international bank Standard & Chartered, is dip-ping a toe into the traditionally muddy waters of futures investment Scimitar, which is offering investors two off-shore-based futures funds, is the latest "respectable" name to enter this sector and give it

added credibility.

John Kirkham, director of Scimitar, said that launching a futures fund reflected the fact that investors remain nervous about the traditional equity and bond markets, and futures had the potential for the greatest capital growth out of any other investment medium.

Successful trading in futures

Successful trading in futures contracts relies on an sbility to predict the future price of any-thing from commodities to international interest rates. Futures prices can be extremely volatile, since trading is conducted on only a mar-gin of the total amount com-mitted, so you can make big rewards or huge losses. Hence the image of futures exchanges as investment casinos only for those with a gambling mental-

ity and deep pockets. However, the use of sophisticated trading systems to spread risk and limit losses can iron out many of the ups and downs of the market and still achieve very much higher net returns than equities, even returns than equities, even after paying heavy charges.

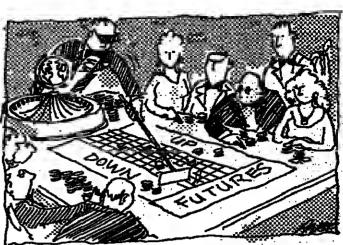
For example, the Mint funds, sponsored in the UK by E. D. & F. Man, commodity brokers, have set the performance pace since being set up in New York six years ago. The first Mint fund has gained more than 200 per cent in value since its

per cent in value since its inception. in 1985 Mint produced s new futures vehicle, a guaranteed fund. If the sincerest form of flattery is imitation, then the guaranteed concept is much admired, as it has spawned many versions since. many versions since.

The idea is simply that the

investor's lump sum is partly invested in zero coupon honds or fixed interest securities that will repay the lump sum within a known, specified, period of time: say, five or six years although this depends on current interest rates and the proportion set aside. The remainder of the money is invested in the futures market with the aim of achieving the high capital return possible by

trading on margin.
If the futures investment turns out badly and all is lost, the investor is secure in the knowledge that his only real loss is the interest he could have earned from putting the



invested money on deposit

instead.
Last year Hugh Dumas and Tim Ireton, who were involved in setting up the Mint opera-tion, founded London Portfolio Services and launched a guar-anteed futures fund registered in Bermnda. The ubiquitous in Bermnda. The ubiquitous duo turn up again as product advisers to the new Scimitar. Guaranteed Fund, along with Cargill Investor Services and its computer-based trading system Optacis, which selects the most suitable trading advisers (fund managers) for the fund.

Scimitar made the linison

with London Portfolio Services because "we did not have the expertise to get up the learning curve quickly," said Kirkham.

The Scimitar fund is a closed fund, which means that once the hoped-for target of US\$40m investment is reached during the offer period, which ends on June 30, the fund will remain closed for its lifespan of seven.

As with most futures funds, the minimum investment is high: US\$25,000 (£15,000) for direct investment or US\$10,000 through the Scimitar nominee service. You cannot cash in the investment within the first six months and after that there is a 2 per cent flat fee for early redemption.

The fund will have a 55 per cent investment in zero rated coupon bonds and 45 per cent in futures. On a trial run-through the Optacis system, the investment model showed a growth of 33 per cent per annum through investment in futures contracts linked to a

wide range of commodity mar-kets, from metals to agricul-tural products. But, of course, this was only a trial and is not quite the same as putting it

into practice. Futures trading advisers do not come cheap indeed their charges are in a different eague when compared with the costs of dealings in equity markets. As a result the fund markets. As a result the fund makes an annual charge of 6 per cent of the 45 per cent used for futures trading. In addition, on a quarterly basis the trading advisers are paid 15 per cent of any achieved profits, provided that they exceed the previous peak performance.

The second futures fund to gain the Scimitar name is the Futures Management Fund, also run out of Bermuda since

Futures Management Fund, also run out of Bermuda since 1984 by BiH Grandy, Renamed Scimitar Futures, this fund has no guaranteed element, but a maximum of only one third of the fund can be invested in financial, soft commodities and mattels futures contracts.

metals futures contracts.
All futures funds in the UK are unrecognised offshore funds although moves are afoot to allow authorised unit trusts for futures trading to be introduced, subject to special restrictions on their management and marketing Kirkham promises, that "the minute-futures funds are allowed as unit trusts, we will launch

Meanwhile UK resident investors who wish to invest in an offshore futures fund will have to look after themselves. Choose respectable companies with a reputable name in Britain to protect and bear in mind that high reward does not come without its partner, high risk

John Edwards on Japanese share warrants A chance to speculate

A CHANCE to speculate in the highly volatile Japanese share warrant market, without risk-ing your original capital investment, is offered by a Bermnda-based fund, which is open for subscription until June 30.

June 30.

However, the guarantee only applies if yon retain yonr investment for seven years until the fund is liquidated, Taking a leaf out of the method used hy guaranteed futures funds, the managers of the fund — long-windedly called the KYZ Japanese Equity Warrants Guaranteed Equity Warrants Guaranteed May 1996 – will put a suffi-cient proportion of your total investment into zero compon US Treasury Bonds which in seven years will be worth the equivalent of your initial investment,

The balance, roughly 50 per cent, will be used to trade in Japanese share warrants. Gartmore Luxembourg, which already manages a successful Japan Warrant Fund, will be the investment manager, but will have Antos Glogowski of Daiwa Europe as a special

Ian McIntosh of KYZ Guar-antee Ltd, says the fund is aimed at meeting their objective of providing potentially high performance with low risk, Japanese share warrants can give above-average returns, because of the high gearing element, and the investment in US governmentbacked zero coupon bonds means there is no risk of losing

the original capital. However, this does not mean locking money away for seven withdraw at any time after six months, although the amount they receive depends on how well the fund performs in warrants trading as well as any change in the value of the zero coupon bonds.

The fund also provides a mixture of currencies, with one part invested in Yen holdings and the other in US dollar

Minimum investment is \$30,000 (£18,000), but there are special nominee facilities for use by smaller investors pooling together their funds through a nominee company. The fund cannot be generally promoted in Britain, since it is not authorised, but it can be sold to professional advisers. Sole UK agents UK are Corn-

Top performers

BRAZIL funds were the top performing offshore funds in the year to May 1, according to the latest figures from Micropal. After conversion into US dollars, the Brazil Fund gave a return of more than 244 per cent during the past year, including an extraordinary gain of 43 per cent in April. Brazilian Investment was not far behind with a yearly return of \$210 per \$100 invested. The other 25 top-performing offshore funds during the past

year were mainly Far Eastern and Japanese, while at the other end of the scale the worst performers were primar ily gold and Swiss Franc bond funds.

Japanese and Far East mar-ket funds were also the top performers over the past five years, while gold and Austra-lian funds were the worst per-

J.E.

Financial Times Guides to Investment & Financial Planning

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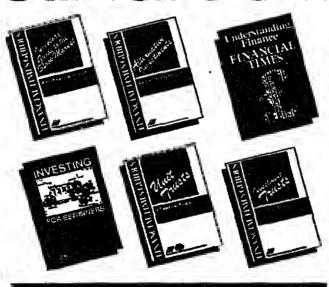
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investment trust. Published September 1988. UK price £8.95.

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Anthony Casswell on forward planning for CGT

Scope for saving

WHEN INDEPENDENT taxation for married couples starts next April, it will apply to capital gains as well as income. There will be scope for tax saving and actions which should, or should not, be taken in the meantime.

At present the first £5,000 of the combined net capital gains of spouses are exempt, any excess being taxed as the top slice of the husband's income, at between 25 and 40 per cent, as appropriate.

Starting from April 6, 1990, the good news is that you and your spouse will each enjoy a capital gains exemption and you will be taxed separately on any excess gains: if you have allowable losses you will be able to carry these forward to offset against gains in future

next April it will no longer be possible to offset the losses of e spouse against the gains of

The bearing of the be

forme

. . . .

Capital gains were first taxed at the same rate as income two years ago, since when the annual exemption has been pegged at £5,000. So this level appears to be appropriate for planning purposes. When calculating your gains, assets acquired before March

31, 1982, can be rebased to values on that date, since when they can also be increased by indexation. By March 1989 this would enable you to add up to 41 per cent to your costs of acquisition.

If you have substantial capi-tal gains to realise you should try to use your combined 25,000 exemption to the full this year and perhaps delay further disposals until 1990-91. In the meantime you cantransfer assets between you so that:

M You can use both of your exemptions in 1990-91 and later

M Gains above the exemp-tions are realised by a spouse with carried forward losses; Any further gains are realised by a spouse who is a non-taxpayer or who will pay CGT at basic rate, rather than the higher rate for income tax.

If you are a higher-rate tex-payer and your spouse has no income, you can transfer assets for disposal after April 6, 1990 and achieve a considerable saving in tax. For example, at 1989 90 levels, if your realised capital gains are £33,485, you will pay CGT on £28,485 at 40 per cent.

EXPATRIATES

erring income-producing investments to your spouss which is £11,394. Now suppose that assets carrying gains of Until this year's Budget you

trans

\$28,485 are transferred to and subsequently disposed of by your spouse. After a second exemption of £5,000 and a single allowance of £2,785, basic rate tax at 25 per cent on the remaining £20,700 will incur CGT of £5,175 — a reduction of £5,6219 on the £11,394.

This is the maximum annual

INDEPENDENT TAXATION FOR MARRIED COUPLES

could defer, and possibly eliminate. CGT by making gifts and rolling over your capital gains to the recipient, who took over your acquisition value. Broadly this only applies now to gifts into discretionary trusts and gifts of business assets.

Substantial CGT retirement relief is available if you dispose of your family husiness or company after reaching the age of

pany after reaching the age of 60. Your spouse can also qual-ify for this relief subject to working in the business and owning part of it.

There is no capital gains at death but if you make a gift which is a potentially exempt transfer (PET), and you die within seven years, your beneficiaries could be faced with paying inheritance tax (IHT) in addition to any CGT that you

may have paid.
There is no CGT or IHT on transfers between spouses and no reason why one partner should not transfer an asset and the other one subsequently dispose of it, provided that the transfer and disposal are

entirely separate operations. You should, therefore, check your capital gains position and plan accordingly. If you have a good share portfolio with divi-dends which may be expected to increase over tha years, you may wonder whether you need bother about CGT at all. But if yon ignore it problams may arise if you wish to increase your incomes or pass assets to your family in retirement.

Share option dilemma I Alf an employee of company A which will, should the bid be successful, be taken over by company B. Company A has contracted to sell me, at a certain price, a certain number of

shares at a later date, should I so opt. Are there any obligations on the part of company B to fulfil this contract in any way? How can they sell me shares which no longer exist? What is customarily done by both "good" and "bad" compa-nies in this respect? I must say that neither A nor B are renowned for their good

employee relationships.

You would have to examine carefully the terms of your share option. If there is no express provision for the situa-tion which has arisen (or for a merger or reconstruction) it may well be that your option will become valueless. Some companies make special provi-sion for this problem on a take-over bid by offering new share

Accident query

Some 12 years ago 1 was involved in a car accident which left me severly disabled. I was a passenger in the car travelling over a dual carriageway flyover which was in a very icy condition when the car skidded on black ice and crashed into a lamp-post.

l claimed my compensation through the driver's insurance and received an ont-of-court settlement some 18 months

It was shortly after this that I learned that road conditions were bad because the road had not been gritted all day as council workers had been on strike and there had been extremely had weather resulting in other accidents around the time of my own. I therefore feel that there

was some negligence involved on the part of the council and wonder if, even after this considerable time, 1 could make a

claim against them? ■ Even if you had a claim, which is doubtful, the lapse of time since the accident would prevent your pursuing it now. The statutory limitation period for personal injury claims is

Paying the mortgage

My son is hnying a small house and is finding it difficult to pay his mortgage. At present, he cannot afford to live in the house without being over-stretched.

 Would it be illegal to rent
the house for a couple of years
to help pay the mortgage?
 How does it affect the
house insurance and will the interest rate rise if he rents it

3. If he went abroad, would he have to pay tax on the rental income? ■ 1. No. He should, of course, consult a solicitor if he decides

to go ahead with the idea. 2. Whether the interest rate goes up or not is a matter for the building society to decide (assuming that it is a huilding society you are talking about). It is quite likely that his particular society will put the rate up - but practice varies from one society to another. Ha should ask the society's local

Similarly, he should ask his insurance company whether the rate for the contents insurance will be increased if the house is let. Here again, the answer is likely to be yes.

3. Yes: the tenant will deduct 25 per cent tax from the rent, unless the rent is collected by an agent (professional or unpaid). If the rent is collected by an agent the tenant will not

deduct tax, but the agent will be assessed for tax on your son's behalf.

A free explanatory booklet R27 (notes on the taxation of income from property), is available from tax inspectors's offices. The fext of extra-statutory concession A27 (Mortgage Interest Relief: Temporary Absences from Mortgaged Property) is obtainable by sending an SAE (DL size) to the Inland Revenue Press

Office, Somerset House, Strand, London WCZR ILB. Ask for a copy of the annex to the press release dated March 20 entitled Civil Servants Posted Overseas: Mortgage Interest Relief. Even though your son is not a civil servant (presumably) does not matter; the concession applies to other people as well.

Portfolio's tax charge

I would he grateful if you would let me know how an investment portfolio of £250,000 would be dealt with by capital gains tax and inheritance tax on the death of the present owner. Apart from the investments there is a share in property worth about £40,000. If the investments were sold now there would be a tax lia-hility for capital gains of about £40,000. Would there be a charge of both these taxes against the investment portfo-lio?

There will be no capital gains tax liability upon the owner's death. Capital gains tax on death was abolished in 1971. If the portfolio includes non-qualifying offshore funds, deep-discount securities or deep-gain securities (as defined in schedule 11 to the current Finance Bill, summarised in the FT of April 14), there will be an income tax charge on the gains accruing up to the date



Losing out over refund

During our first year in business, 1984-85, we sus-tained a trading loss but ou the advice of our accountant we were paying Class 2 national insuranca contribunational insurance contribu-tions by standing order. In due course we received our tax refunds but in spite of repeated requests we have been unable to obtain the refund of Class 2 contribu-

tions. The only reason we have been given so far, by a counter clerk, was that no refund can be allowed because we paid by standing order instead of buying NI stamps at the Post

Office. We have been unable to obtain written confirmation of this. In fact, after repeated requests the DSS has not writn to us at all on this matter. You have no entitlement to a refund of Class 2 contributions: the rules require you to claim exemption in anticipation of a loss-making year, not after the year is over. You can confirm this by picking up a leaflet on Class 2 contributions at your local social security

office or Post Office. You may like to invite your MP to write to the social security office, asking them to have the courtesy to reply to your simple inquiry. MP's letters often get more prompt attention from civil servants than letters from mere members of

Icing on the cake

IMPORTANT CHANGES WILL be introduced next April which. will curtail, or even eliminate, the British tax liability of many overseas residents who. derive income from the UK.

received by persons who are neither resident, nor ordinarily resident, in the UK. These include: commercial pensions earned largely overseas; interest from certain British Government securities (gilts); and interest from banks and building societies, where declarations of non-residence have been completed. Double taxation treaties may exempt other

items too. Nevertheless many UK nonresidents are payers of British tax. However, since they are often not entitled to any personal tax reliefs, they face pay-ing tax on the full amount of their assessable UK income.

Furthermore the rule permitting British subjects and cer-tain others to claim proportionof their UK income to their world income, has been of little help in recent years. The calculation has been made in such a way that all benefit was eliminated for anyons whose non-UK income was of any sub-

In any event, many expatriates experience a marked lack of enthusiasm at the thought of baring their financial souls to the UK taxman.

Consequently, it is excellent news that from the beginning of next tax year all of these complications will be swept away. Provided that you fall within one of the following categories, you will be entitled to the same reliefs from tax as if you had been a UK resident. Your overseas income will no longer be relevant and, therefore, will not need to be declared.

The categories are: (1) citizens of the UK, British Commonwealth countries or

(2) anyone who is or was employed by the Crown, or is the widow or widower of such

(3) anyone employed by any Missionary Society in, or the government of, any territory under the Queen's protection;
(4) residents of the Isle of
Man or Channel Islands; (5) anyone who previously resided in the UK, but now lives abroad for the sake of

their health or that of a family member resident with them.
Similar tax treatment will be given to the residents of many countries with which the UK has a double taxation treaty. Some types of income are However, these claimants already not taxable when might find that the reduction received by persons who are in their UK liability provokes a more or less commensurate increase in the tax payable :

The availability of tax relief allowances will, of itself, improve very considerably the position of many non-residents



in receipt of UK income. But the planned new rules for the independent taxation of husband and wife also coming into force next April will be icing

on the cake. On the basis of current rates, husband and wife will each be able to receive UK income of \$2,785 mnually without liability to tax. Furthermore, a mar-ried conple's allowance of £1,590 a year will be granted primarily to the bushand, but is transferable to his wife to the extent that he has insuffi-cient income to make use of it; provided that the wife too falls

vithin the five categories or is These allowances rise in steps for those over the age of 65 or 75 whose total UK income does not exceed £11,400. All of these figures will be adjusted for inflation once more before the new procedure comes into

So, if your UK income is of a nature which permits you and your spouse to improve the sitnation by reallocating it between you, careful thought

CGT saving possible at 1969-90 levels. But if inflation is still 7 per cent by the end of 1989,

indexation for 1990-91 would

increase the amount which could be transferred efficiently

to £30,200 with the CGT saving

up to £6,530. In fact, there will always be

more potential to save tax

through the capital gains route than by the transfer of income,

because of the second capital gains exemption available : if

this remains at £5,000 and higher-rate tax remains at 40

per cent, the maximum annual

CGT saving will be £2,000 more than is possible through trans-

So, if you are a higher-rate

taxpayer and you have sub-

stantial gains to realise, you should consider dealing with

this problem first and then

should be given to doing so.
Obviously, if only one of you is eligible for the reliefs, the UK income would better be received by that one. However, it frequently occurs in the cas of expatriate spouses that one of them (usually the wife) is resident in the UK while the other is not. In these circum-stances it should not be overlooked that transfers from the non-resident to the resident could have the effect of bringing the assets concerned

within the scope of Capital Gains Tax. You should also bear in mind that special rules apply to assets held jointly. Gener-ally, the income will be treated as belonging to the spouses equally. But if the beneficial interest helongs only to one, or to both but in unequal shares that fact will be recognised by the Revenue provided a declaration to that effect is submit ted to them. But the Revenue will disregard any claim that the income is to be divided differently from the beneficial interest in the underlying

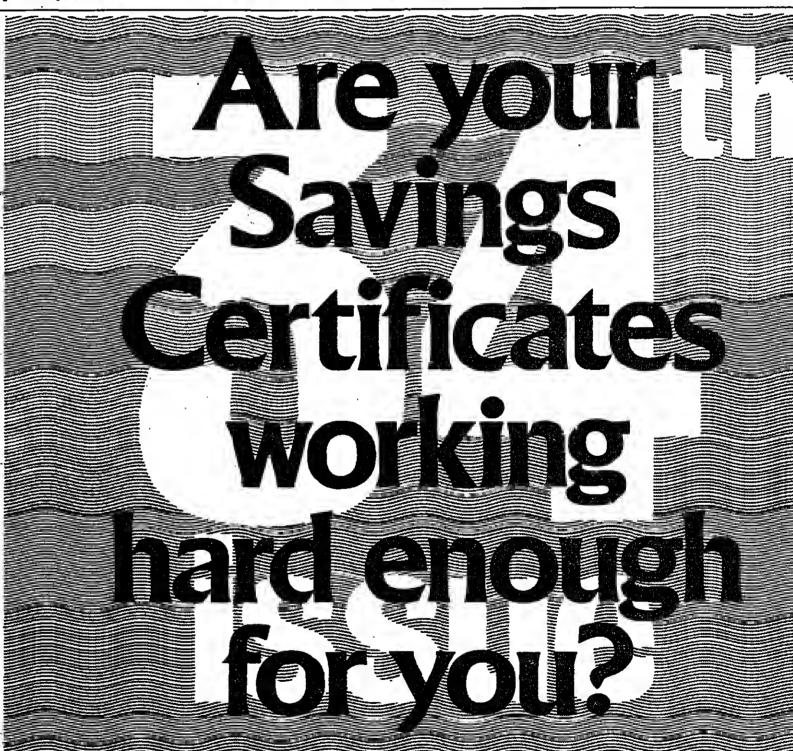
The beneficiaries of the Trea-sury generosity will be many and varied. For example, if you and your spouse this year achievs a profit of £7,600 from letting your jointly-owned property, the likelihood is that you will have a tax bill of £1,900. But if, as seems possible, inflation increases the personal allowances by 7 per cent from this year's levels, in 1990-91 your contribution to the Exchequer on a similar profit would be nil.

Many an emigrant living on a UK pension will have cause to be grateful too, while those who have retained British equities or unit trusts may be able to add freedom from Incoms Tax to the Capital

Gaina Tax exemption they have long enjoyed.

All of which is very satisfactory. But remember that the venue will not extend this treatment to you automati-cally. The onus will fall on you to prove your eligibility for the tax reliefs.

Donald Elkin Donald Elkin is a director of Wilfred T Fry of Worthing.



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MINDING YOUR OWN BUSINESS

Ian Hamilton Fazey meets two venture capitalists who chose to strike out on their own

Dispensers join the supplicants



Paul Gilmartin, managing director of Yorkshire Venture Capital

Such sums may seem large.

But they are not turnover —

PAUL GILMARTIN is quite shamefaced when be tells how he got the money together two months ago to launch his own

"I did the worst of all possi-ble things," he says. "I went to tha Yorkshire Bank because it was the local one and stumbled in to see the manager at 12 hours notice. I had no business plan; in fact I had nothing in writing at all. I behaved like the sort of people I wouldn't even interview if they tried to see me whan I worked for Investors in Industry (3i).

I wanted to borrow £25,000 without security. I had no evidence whatever of why I needed the money. The man-ager asked me to give him in an hour to think about it. He rang me later to say,

Gilmartin dropped out of a large, national business to set up his own small business in the same field. He is a venture capitalist — someone who backs small or growing businesses, usually with pension fund money, in the hope of eventual capital gain. He is going to manage a fund of more than £10m in Sheffield.

Across the Pennines in Manchester, Peter Folkman, a con-temporary, is doing something similar. If all goes well he is pitching to manage a £20m

they are the feedstock of the businesses. Both men will get their revenues from small commissions charged to investors. They bope to make aerious money eventually through investing their funds' monies well enough to make big capi-tal gains for their investors, triggering reward-related sums for themselves.
Until then they will each quite definitely be minding

their own businesses.

The similarity between them goes further. Gilmartin, who is 47, has just resigned from 3i, where has was Sheffield regional director. Folkman, Gilmartin's predecessor until saven years ago ran the larger.

seven years ago, ran the larger regional 3i office in Manches-

It would not have taken the Yorkshire Bank long to find out that Gilmartin was proba-bly a good bet for an unsecured loan of 225,000. He needed the money to register with the regulatory body, Investment Management Regulatory Organisation (£2,500); to sat up with £5,000 of share capital (an IMRO requirement); to buy his Volvo 700 series estate car from 3i for £10,000, and have something left for pre-start

running expenses.

Folkman, aged 43, looked as though he was being groomed for greater things with 3i, having been sent on an advanced management programme at Insead, the French manage-



ment school, only 18 months ago. However, both men had realised that further promotion would almost inevitably mean a move south, with loss of quality of life (in their view) and disruption to their family

But it was the clear evidence of the recovery of the northern economy along the M62 corri-dor between the M6 and the Al that encouraged each of them, individually, to put to work for themselves their profession of picking winners.

Notwithstanding Gilmartin's cavalry charge style of money-raising with the Yorkshire Bank, small business owners

everywhere will take delight in there being a little of "the bite bit" about their leaps onto the entreprenaurs' sida of the fence. These are men long used to financing the dreams and business plans of hundreds of others who crossed this divide before them. From being dis-pensers, they have become suppensers, they have become sup-plicants. From being fully sup-ported senior executives, they bave discovered the do-it-yourself world of small busi-ness. As Gilmartin puts it: "I didn't have to make my own tea, which I now have to do."

Folkman says: "I had to spend a couple of days master-ing PAYE and National Insur-

that's how it will be with us. It was quite interesting to learn how to get motor care taxed.

"The big shock was to realise ine mg shock was to realise how dependent you are in big business — and how your perceptions differ. A week is a very long time indeed in small business. At 3i I would have said that a week is not a very long time in which to consider a venture central deal but? a venture capital deal, but I would never say that now after waiting on tenterhooks for pension funds and big institutions to make decisions on whether or not to put their money into my fund."

Gilmartin is setting up in Don Valley House, a former Sheffield Forgemasters office block. He is taking a whole floor and sub-letting what he does not need to the Sheffield Development Corporation, which already has two floors. He will share his office with Neil Turner, a professional non-executive director of small and medium-sized businesses who is joining Gilmartin's

Folkman has taken a large suite of offices in Cheshire House, Manchester, where he has installed his secretary she moved with him from 3i and Kelvyn Derrick, another refugee from big-company

ance. I haven't got round to senior management who has Statutory Sick Pay yet. I hear joined him as a partner from the EIS Group. He expects to small businesses and I hope employ four or five, while Giljoined him as a partner from the EIS Group. He expects to employ four or five, while Gil-martin – who has hired Brian Redhead, the broadcaster, to launch his new fund at a party next month - hopes to stay

They expect to be in compa-tition for good small invest-ments. But, judging by the way the venture capital industry works, they will probably find themselves in the same syndi-

cates for bigger deals. cates for bigger deals.

They have already clashed.

Each wanted Christopher
Barker, one of the most experienced corporate solicitors in
the north and a partner at
Dibb Lapton Broomhead, as a
non-executive director. With
Broomheads the biggest firm of
solicitors in Sheffield, and its
merger last year with Dibb merger last year with Dibb

Lupton of Leeds making it a Yorkshire-wide institution, it is probably not surprising that Gilmartin, on the Yorkshire side of the Pennines, was the

Folkman's fund is sponsored by J. Henry Schroder Wagg, the London merchant bank, and Rickitt Mitchell, the Manchester corporate finance bou-tique, so he is not short of heavyweight backing. Develop-ments in both these new businesses are being watched with interest by the north's growing financial community.

Lancashire mill folk in the great days of the cotton industry used to talk of "Clogs to clogs in three generations.

Curiously, more than a century later there is much less discussion about the future of family businesses. Perhaps their owners do not wish to admit readily to being eventual victims of such a fraility as being mortal. It might upset the family . . . or

However, a welcome beam has now been directed into this ill-lit corner of business life by City Research Associates, commissioned by 31 Corporate Finance. City Research has done s benchmark study into attitudes towards the short and long-term futures of privately owned companies Neil Williamson, managing

A question of who minds the shop

Finance, put the viewpoint of his group, which is heavily involved in backing growing businesses, when he said: "People should be planning for the succession. None of us lives for ever."

But the survey shows strongly that nearly all families owning a business either expect it to be passed down to the next generation or are giving little or no thought about ownership changes in the future.

In only one privately-owned business out of every 20 surveyed, did the present owners have aspirations to realise the capital within their lifetimes in order to seek an

such as a retirement place in the country, or a villa in sunnier climes. City Research interviewed 200 shareholding directors of privately-owned British companies with profits of more than £250,000. Almost half (47 per cent) of those interviewed who defined their businesses as "family-owned" plan to hand the company to the next generation of their family. A further 33 per cent of the family-owned companies have no plans for any changes in

ownership. That does not mean they have not had attractive offers. In fact, nine out of ten of the companies interviewed have

been approached at some time to sell their business. And 65 per cent of them have had as many as 10 approaches in the past year, "We have a standard letter of rejection," said one company director.

Commenting on those figures 3i talks about "an environment of hot pursuit" to seize control of independent small businesses. Neil Williamson predicts that even though only one in five private companies ever intends to sell, many more will be sold. "Even those who do not plan to sell may eventually be faced with problems relating to old age, ill-health, an incapable or disinterested younger generation, family pressures

or even such a fantastic offer that previously intransigent shareholders change their

Small firms still think of themselves as people businesses. When they do think seriously about selling to another firm their major concern shows up clearly in the survey as the welfare of their employees. Only three in ten in the survey were primarily concerned about, getting the right price."

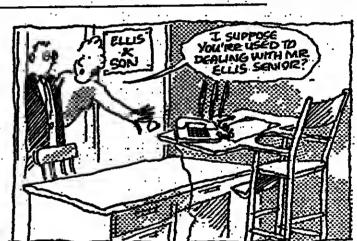
An overall management style among Britain's many family-owned businesses can' be discerned through this survey. Money is less important by a long way than continuity of employment for employment for the families in control.

It is worth pointing out that the attitudes of the small businesses that are owned by their managements differ markedly from those of the

family-owned businesses.

Among the managementowned businesses the idea of
a sale or flotation is a much more popular objective. Indeed, 35 per cent of the management-owned companies

interviewed said they were planning to realise capital tied up in their businesses at some time in the future. Study of Attitudes of Owners of Private Companies Towards the Future of their Businesses.



Conducted by City Research Associates, Lector Court, 151-153 London SE1 8XP, Tel 928 7822
Farringdon Road, London, ECIR 3AD. Tel 833 1681.

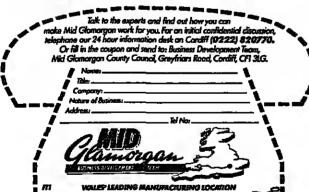
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THE FREEDOM TO CHOOSE

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watch become of secondary importo the style and status that it

In spite of all the promotional activity in the watch industry over the last ten years actual sales have expanded very little. So fashion trends have intensified competition in the market without creating real growth. Unit sales have fallen by more than 10 per cent in the UK, but sterling sales have risen by around 20 per cent, thanks to the activity of foreign manufacturers and the hirth of the quartz electronic watch. Quartz watches now, represent 80 per cent of the UK market in volume and around 60 per cent of sterling sales. The fact that the UK no longer has a major manufacturing base other than Timex can only lend a helping hand to

Salar British Both Charles Control British Salar Salar

foreign producers.

However a new culture has emerged, one that is multi-colonred, fashionable and dynamic. Watches are now not just a functional necessity but an essential part of the wardrobe. As Sarah Clarke at Affred Dunhill explains: "People will change their watches according to the control of ing to what they are doing, whether it be sport, business or dressing up in the evening

The development of quartz, a movement powered by battery meant that the manufacturing cost of a watch was cut dra-matically and companies were forced to compete on price and concentrate more on market-ing and packaging differences. Quartz heralded the moment hen a watch became a fashion accessory for the middle and lower end of the market as well as for the expensive. Making a watch a fashion accessory had always been part of the Swiss tradition, but one that was secondary to the smooth operation of the mechanical parts. And fashion invariably meant incorporating diamonds and jewels and pre-

The Swiss had developed their own quartz movement as early as 1967 but rejected it as not in keeping with their traditional standards of craftsmanship. Even now, many watch enthusiasts will not admit that a quartz movement is a "real" watch movement. So the Japawatch movement. So the Japanese made quartz their own
and flooded the market with
cheap but stylish and reliable
watches. The Swiss industry
suffered dramatically as a One of the most successful
result, as did middle market
result as did middle market
result as did middle market
watch 1100, with 12 interbracket, but it failed to affect luxury watchmakers like

AS THE time tell- Audemars Piquet, Rolex, ing function of a Plaget and Vacheron Constantin.

R had been previously thought that the more expensive a watch, the more scorrate it was, a theory destroyed by the evolution of quartz
watches. As John Kesning of
Jaeger Le Coultre explains: "A
quartz movement is a quartz movement - some are better than others, but they all keep time accurately whether you buy a watch for 210 at a petrol station or for £10,000 from a huxury watchmaker. So compa nies turned to other aspects to maka their watch different from anybody else. In 1963 the Swiss bit back

with the launch of Swatch watches, which not only revi-talised the watch industry but redefined consumer perception. The birth of Swatch meant that people could afford to buy more than one watch and match them with the season's colours. Today, to maintain its leadership, Swatch launches a fashion collection twice a year, with 24 designs in each one. With Swatch fashion has become the primary role of a become the primary role of a watch and function second, the complete reversal of traditional

Other companies were quick to follow Swatch's example. Tissot launched its Rock. Watch, Timex the Watercol-Watch. Times the "Watercol-our" collection, a range of pas-tel coloured wristwatches, while Tiq, Smash and Le Clip followed suit at the lower end of the market. Not to be out-done by their European com-petitors Japan hit back with the launch of Lorus, their Swatch equivalent.

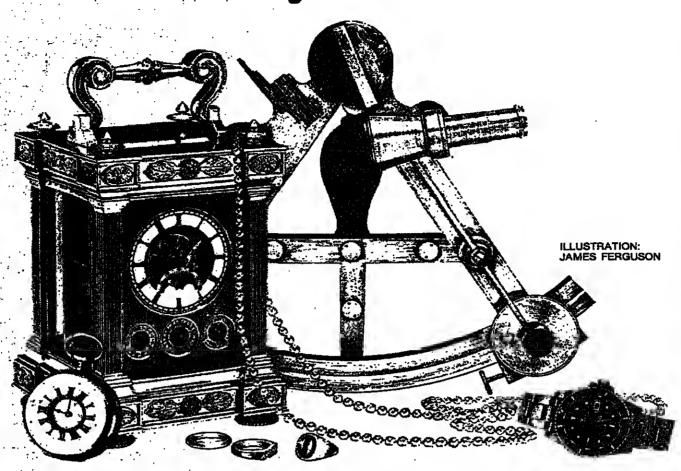
The key to Swatch's success, and others like it, is not only the fashion adaptability but successful distribution. Traditionally watches were only bought in jewellers, but nowadays fashion watches can be acquired in many diverse locations, such as petrol stations. This hreakthrough was heralded by Timer, whose prod-ucts were initially rejected by jewellers because they were

not restricted to the mass market. Companies such as Alfred Dunhill, Gucci and Christian Dior launched their own "designer" quartz watches as part of their range of clothing and jewellery, and Louis Newmark came out with Burberry and Benetton watches to reflect the style of their shops and clothes.

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changeable bezels in an assort-ment of colours to match your



Frances Wasteneys, with a report on the fashion trend in watches, introduces a four-page survey of a healthy market. We cover the salerooms, the workshops and the auction rooms and look at how Swiss manufacturers have fought back against Japanese competition

The Chronograph watch, also by Gucci Timepieces, is likely to be another favourite. For those who cannot afford Gucci prices but want a designer watch the models approved by Pierre Cardin, part of Zeon, perhaps provide the answer. It seems tha idea of the "lifestyle watch" knows no bounds. Seiko, part of Hattori UK, has launched the watch collection "Levante," a nautical style which recalls navigational tools. As Richard Taylor of Seiko explains: "This is not necessarily for the out-and-out yachting type, but for the per-son who would aspire to have a yacht and that sort of lifes-

tyle." The price range is £125 to

For the sportsman, Breitling offers what could be the ultimate sports watch. "The Yachting Chronomat." It has been specifically designed for automatic chronograph, a 12-hour counter, a tachometer clothes. It costs around £150. and an hour division into tenths. It costs around £1000. For the global traveller Ebel has launched a watch called Voyager which tells at a glance what time it is anywhere in the world. It features a rotating bezel, inscribed with the major cities in the world, has a self-winding mechanical movement, and is water resistant down to 30 metres.

or the evening Alfred Dunhill offers the Elite, a beautiful watch to look at, stylish and precise: because of its light weight and open ladder con-struction bracelet it is comfortable to wear in hot climates. For the extravagant, Bertolucci makes a women's 18 ct gold jewellery watch called tha "Diva," which is mounted on a hracelet. This stone encrusted watch contains 210 diamonds hracelet are hand made, starting with a 500 gram gold ingot. It will set you back

The jawellers Chaumet produces a collection of wristwatches for women, with dia-monds, sapphires and pear-shaped rubles in the spirit of Breguet, the great watch-maker of the 18th and 19th century. Here is a choice for those who still insist on a hand made

Multiple watch buying does exist at the top end of the mar-ket. Garrards the Crown Jewel-lers has clients who buy several watches. As Julia Ogilvy says: "People will often buy because they collect, or they want one for a different occasion." However, a large propor-tion of Garrards' business is in antique watches such as the pocket watches shaped like animals which can be worn as jewellery. "Pocket watches are coming back into fashion the business is booming in that area - very decorative ones in

that remain impervious to fashion. This is epitomised by the classic Rolex Oyster, launched in 1927 and still a best seller. It bas been described as the Rolls-Royce of watches, but like a Rolls-Royce it does not suit everyone. As Robert Pepplat of Hublot points out: "There are still many people who don't want to

have a big, loud statement on

their wrist, who want to be more conservative yet still buy an expensive watch.' They can buy a Blancpain, Andemars Piquet, Hublot or Piaget. "When purchasing a Blancpain they are buying something that is more of an inheritance. Each watch has its individual case number and movement number, and when the watch is finished the numbers are registered and the watchmaker signs his name.

Peter Smeeth at TWG Distribution believes that men are hecoming more adventurous. self. A man's status is reflected in the watch he wears."

fashion trends, watch companies cannot afford to be complacent. The top and the lower ened by cheap and convincing imitations from Hong Kong, Taiwan and South Korea. As Peter Smeeth explains: "You cannot assume your position. Rolex, like many companies, is concerned about the duplicates - the fakes are ruining their market. A lot of the well-known makers who sit back and think we are a traditional maker and cannot he copied' are wrong. People are seeing everybody from a workman to a director wearing a Rolex. The director may not know if the Rolex is real, there-fore the value of the watch is diminished. It is common,

rather than popular. rends move on. In the early 80s watches were ultra-thin; now they are ultra-fat. A recent survey suggests that the novelty of the digital watch has worn off, and that women in particular appear to be movmg back to the analogue face. However, the majority of men still prefer digital presentation, as do younger people. It also shows that two-thirds of women choose a man's watch and a quarter of male purchasers huy womens' models for

themselves. At the top end of the market there is a trend for more intricate timepiece chronographs. Audemars Piquet seems to have thought of everything in its Perpetual Calender, Every four years a tiny cog adjusts the watch for the leap year. Demand is so great for this watch they cannot make enough.

There is also a move from steel and gold to other metals such as platinum and Tantalum. Tantalum, a pure metal, was discovered in a Scandina-vian mineral mine in 1802 but hecause of its bardness and high resistance to heat and chemicals it was very difficult to use. However Jaeger Le. Coultre has mastered the secret and has launched the Secret and has launched the Odysseus Chronograph Tanta-lum. Its case is a shining blue as dense as gold, in which has been placed the smallest chronograph movement in exis-

In response to the demands hecoming more adventurous. looking back to popular "Traditionally men have been conservative about what they just launched the "Flieger-

choose, but the barriers have chronograph, a reproduction hroken A watch is a personal of its original Mark XI-aaccessory with which a man hand-wound aviator wriscan say something about him- twetch which was used in cockpits in the early 40s.

Patek Philippe, to celebrate In spite of the success of its 150th anniversary, is reviving watches made in the First World War for soldiers in the trenches. One in particular, of only 2000 being produced, is the "Officers campaign watch" of the type which officers took to war in 1915: it will he arriving at Garrards in October.

Omega is launching an exclusive special series of "moon watches" to celehrate the first manned landing on the moon, where the Omega Speedmaster Professional chrooometer helped the astronauts 20 years ago. With such intensification of

fashion trends what is left for future development? Will we see a complete reversal to prewar style or inspiration from other areas of the world? One trend that has started in Italy and is expected to reach the UK hy the end of the year is the Russian look. These are rohust watches with the emphasis on durability. British watch company Zeon was quick to take the initiative by producing its own Russian style watch. A screw cap covers the crown and on the dial is the Russian star. To complement the Russian spirit of Glasnost a written message accompanies each watch say-

Another company which is finding its way into the UK market is Rado, which has been highly successful in Asia and the Middle East. The Rado DiaStar Executive claims to combine cool elegance and subtle beauty, while the individual "Lacoupole" watches could find a market among women who are looking for something

different. Other developments bave beeo watch boutiques such as Mappin & Webb's In Time, the Watch Gallery and the Watch Box. Marks and Spencer has entered the field and Next is introducing quality watches

into its catalogue.

Probably the most significant change has been the reversal of the decline of the Swiss share of the market. Today it is estimated that the Swiss hold about 10 per cent of the market by volume but 45 per cent by value. The Japa-nese beld 35 per cent both by volume and value but have been increasingly squeezed by Hong Kong, Taiwan and South Korea at the lower price

Certainly the watch market problem is the mind-bending number of choices facing the



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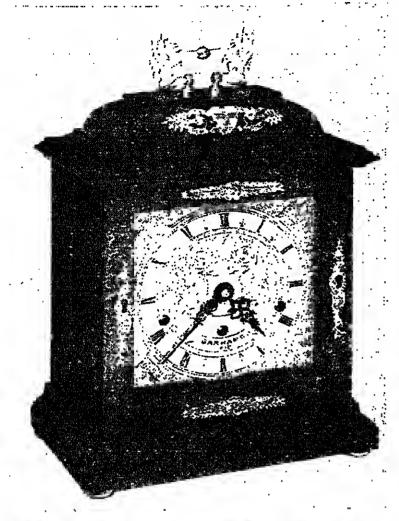


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Brighter times for a sleepy sector

Antony Thorncroft reports on the renaissance of the antique clocks market



Created for Garrard by W.H. Elliott to celebrate 800 years of the City of London and its Lord Mayor, only 80 of these traditional bracket clocks will be made. All have been given official status by the City Corporation

T LAST there is excitement in the antiquarian clock market. For years it has drifted gently along, with very few exceptional items arriving in the salerooms. The dealers, who dominate the trade, were occasionally able to buy an impor-tant clock privately (Ronald A. Lee in Bruton Place recently acquired a splendid Tompion longcase from the north country which carries a price of £150,0001, but the general feeling was that clocks were in danger of becoming a backwater, a poor, undervalued relation to English furniture, which was storming ahead in price and prestige.

Christie's has come to the rescue with its best clock sale in 20 years in London on July 5, including a quartet of clocks by Thomas Tom-pion, the late 17th century maker who commands a handsome pre-mium over all his rivals, mainly because his workshop produced over 800, mainly numbered, clocks and thus established a collecting

The highlight is a totally unrecorded and recently discovered Charles II miniature longcase clock by Tompion in e unique blond wood case. It comes from Canada, which slightly worries some dealers, but it is estimated at up to £400,000, a heady price in a sector in which only a handful of objects top £100,000, and there is just one accepted seven-figure clock, the Mostyn Tompion, now safely in the

In the same auction there is a private owner collection of 35 clocks, including the "Sussex" Tompion, once the property of the Duke of Sussex, a son of King George III. This sold for £12 at Christie's in 1843, and for £65,000 in 1979. It carden are sectionate of property ries now an estimate of around £150,000. There are also works by a Joseph Knibb and Daniel Quare, the

main rivals to Tompion's crown, in an auction which the entire trade hopes will stimulate new collectors into a woefully everlooked sector of the antiques market.

On June 22 Christle's hopes to make a record £500,000 from a clock. It is a complex orrery clock which sold at Sotheby's Mentmore auction sold at Sorneny's Menumore auction in 1978 for £40,000. The newcomer has spent much time, money and energy restoring it and devising a more accurate history. It is now dated to 1763 and regarded as a technical breakthrough. Hence the optimistic price.

There is no great mystery as to why antique clocks are an acquired taste. They became a speculative investment in the late 1970s and proved fickle friends: some clocks have only recently reached the price levels of a decade ago. There is also a limit to the number of long is also a limit to the number of long case clocks that a collector can accommodate: they are not geared to modern living.

However, the main drawback is that potential buyers are deterred by the mechanical problems that might lie lurking inside the cases. Most old clocks require attention, even if it is only a good cleaning, and there is the perennial problem of later additions to old movements. At the moment the clock world is enthralled by a dispute about an early 17th century clock which the Science Museum recently bought at Sotheby's and which is now giving cause for concern about the age of some of its mechanisms.

Sotheby's is trying to set such fears at rest by offering advice on the state of the clocks on offer at its auctions, recommending experi-enced restorers and giving guidance on the likely cost of repairs. Its spe-cialist, Michael Turner, voices the trada's amazement that antique clocks are not more sought after. He

quotes the example of 18th century 30-hour clocks with a bronze face over a fine wooden long case. They might only have one hand and need winding every day but with many examples fetching £400 they are an obvious snip. They have scarcely moved in price over five years. An night day clock might cost £500 eight-day clock might cost £600. These are saleroom prices: at e dealers you might pay double, but in return get e fully restored working specimen and good advice.

It is also worth watching the makers with rising reputations. Henry Massey and David Delander are names to ponder, as is Joseph Windmills. He has perhaps now "arrived," a silver mounted bracket clock that he made around 1780 fetching £44,000 at Sotheby's recently. The great star of the past few years has been Vulliamy (the 19th century member of the family). He produced plain long case clocks and prices for the best examples have jumped from £12,000 to £26,000 to £38,000 over the last three years. It is also worth watching the to £38,000 over the last three years. However, like many men of his time he reckoned that he could improve on olden days and was responsible for ripping out the innards of many fine Tompion.

Anything unusual does well — and anything painted. A country clock of the late 18th century with a prettily decorated dial will go for 22,000 or more (as against £1,000 four years ago), outpricing the plai-ner, silver-dialled output of the Lon-don makers of the period.

It is the same with carriage clocks. A straight, no-nonsense early 19th century example might cost £500, but anything with unre-placable porcelain panels could top £2,000. But French carriage clocks remain a dead area, even the most unusual and ornate examples, which were chased up by the Arabs during the oil price boom. A dealer such as Strike One in Islington

Christie's will sell this Charles II ebonised skiking bracket clock by renowned clockmaker Thomas Tompion in London on July 5. The estimated price is between 250,000 and £66,000

gains of the time.
So clocks remain underpriced. It is quite extraordinary that one of the earliest English-made pendulum clocks, the work of Ahasuerus Fromanteel, around 1670, should sell at Phillips last month for just £44,000,

would point to an eight-day French carriage clock of the late 19th century, signed by a known maker, and selling for £750, as one of the bargins of the time. Newlyn School pictures and 18th century English Iurniture, should buy a clock. If they acquire something of top quality, and slightly out of the ordinary, it will tick up in value. It is only the commonplace, routine clocks which have shown little or no appreciation in the last

Why it could pay to invest in the globe Antony Thorncroft finds bargains galore in the market for scientific instruments

ANYONE SEARCHING for a collecting field in which the objects are both modern and historic, beautiful and utilitarian, rare and in good supply, and above all ridiculously under valued, need look no further than scientific instruments.

The problem is, of course, that unless you are of a technical or scientific turn of mind a theodolite or an astrolabe, a sextant or an early calculator can seem as dull as ditchwater. Even the professionals earning their crust from contemporary little interested in old medical kits, dentists' claws and early adding machines.

However, the collecting bug is growing. There was a brief flurry of over-excitement in the early 1980s, when prices roared out of control, but now there is a more knowledgeable and more sedate market. The Scientific Instrument Society (PO Box 15, Pershore, Worcestershire WR10 2RD) has grown in six years to 500

members, but prices for many scientific instruments have barely shifted in the period. There are bargains galore to be found in the salerooms, Portobello Market, even in junk yards. London, along with Paris, is the international centre and has spawned some knowledgeable dealers, notably Harriet Wynter, (who specialises in the pre-1830 period), Arthur Middleton and

The salerooms are as good

David Weston.

a place to start as any, and there are specialist sales at Sotheby's, Christie's South how under developed the market is can be assessed by the record auction price for a scientific instrument - just £380,000 for an early astrolabe, ludicrous when set against other objects of lesser age, rarity, or beauty. The strongest sectors of the market are those followed by interior decorators, well aware of how a New York apartment or an English manor house can be enhanced by a pair of large library globes or a brass telescope or

microscope.

Globes are probably the most sought after scientific instruments and have more than doubled in value over the past five years, while other-scientific instruments, like theodolites, are probably cheaper now than they were in 1984.

Last month a pair of 17th century Italian library globes sold for a record £104,500 at Christie's, but globes can still be bought for £200 — or even £6, the price asked for a small . globe with a moon map showing the hidden side of that planet, only recently surveyed by satellites. Twentieth century globes could be a good

Apart from globes the market is very flat, awaiting developments. At Sotheby's last major sale this month, one of the finest and rarest instruments to appear in years, a gilt brass nocturnal and adrant, made in Florence in 1527 in the workshop of the Volpaia family, the first

significant makers of scientific instruments, just topped £30,000, a paltry sum. But at least it beat its high estimate.

Of course it is pointless to

collect scientific instruments unless you are intrigued by the field, and there can be dangers with fakes, (especially among old astrolabes), as well the problem of later restoration. But some scientific instruments, such as 19th century theodolites, are much cheaper than their replacement costs so there are unlikely to be any frauds around here. They are cheaper than they theodolite can cost £700 or even less: an example by the best-known maker, Troughton and Simms, and owned and

Isambard Kingdom Bronel, fetched only £2,420 at Sotheby's in 1987. Medical instruments are another area which has been flat for some time: perhaps the ghoulish look of a 19th century surgeon's kit ~ saw;

monogrammed by one of the

best known engineers,

knives, tourniquet, the lot -deters buyers, but a set in a smart velvet lined box can be acquired for around £1,900. Condition is, of course, important, as is the wrappings. The use of ivory and ebony materials is one of the attractions of the earlier scientific instruments. A dentist's set, with 16 knives

horror when the blades have mether of pearl handles. They push the price up to £2,000. Other overlooked sectors ... are calculating machines and drawing instruments. The first vaguely automated calculating device dates back to the mid 17th century, but only in the mid-19th century did cranking-up models develop, and most progress in the drive towards the computer has taken place in the last 80 years. Addometers of the period after 1910 are still available for around £30 and the first pocket calculators have quickly become collectors items. It will

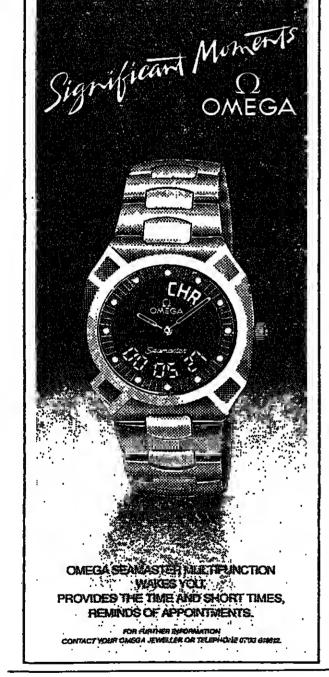
not be long before the early

and other instruments of torture, lacks some of its

computers have their fanatics. A set of 19th century drawing instruments including sector, ruler, callipers and dividers, in ivory, need not cost more than £500.

Microscopes and telescopes enjoyed a boost from the interior decorating trade in the early 1980s but are still reasonably priced, with the most prized makers of the 18th century, such as John Marshall and Edward Culpeper, enjoying a premium over most of their rivals. A very ornamental microscope by Marshall sold for £24,200 in 1988, but a decent 19th century microscope can still be bought for under £300. James Short and William Hershel are the key names among the telescope men, and their work can be bought for much less than that of the microscope makers.

Knowledge, or the advice of a good dealer, are essential before you buy a scientific instrument. Fortunately more and more books on every aspect of this market are appearing off the presses.



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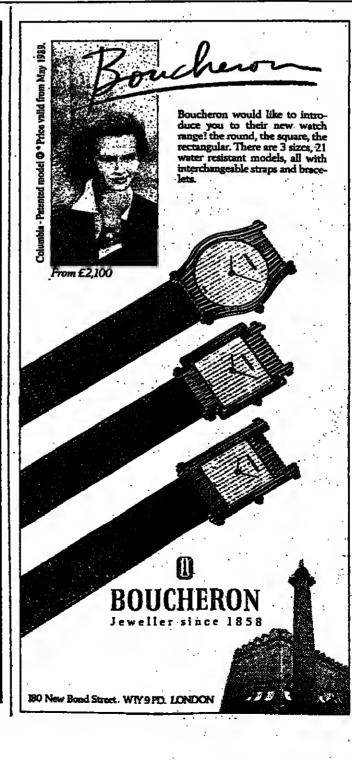
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Gems of wisdom for the choosy

Vivienne Becker reports on what delights the serious jewellery collector

find the goods any more," has suddenly come more, has suddenly come true. Now, when an antique dealer tells you over a delightful Georgian ring or a serious piece of designer Art deco. "I haven't seen one like this in years," it is time to start believing him.

Those inside the trade know that it is no longer a case of crying wolf. The volume of fine goods, of high-quality period pieces beautifully made from fine materials in strong designs, has dwindled. There is

such a dracting of special disings the relentlessly pursued list plaint. I just can't find the goods any en't seen one in the market remains strong and found to the relative to start eving him has instituted in the trade know it is no longer a case of any of high-quality period and every collect on the proper a ware and interested in jewel and makers and makers

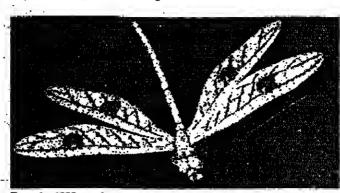
The 19th century heroes are still Castellani, the Roman goldsmith dedicated to recapturing ancient goldwork, and, to an even greater extent, Garlo Giuliano, the hrilliant Ralian-born revivalist jeweller who catered to an elite from his plush Piccadilly shop

his plusb Piccadilly shop
So few spectacular examples
of Giuliano's work bave
appeared on the market recently that it is hard to judge their price level, but the jewels are bound to be hard fought for are found to be hard fought for by a deprived andience when they do surface. A very good necklace of typical design, with a lozenge shaped pendant, finely enamelled and gem-set in the Renaissance manner on a seed pearl collar, is expected to fetch a price of around £10,000 to £12,000 when it goes on offer at Sotheby's June 22 sale of jewels for the collector.

However, prices for more modest Gluliano creations have slowed recently, and a be had for under £1.000. Traditional Victorian jewels,

of eclectic inspiration, msigned but often very wear-able, gold, enamelled, set with small pearls or turquoises and oozing 19th century confidence and prosperity, remain some-what underpriced and a good bangle or brooch could cost £500 to £800.

According to David Callaghan of Hancocks and Co., the demand for 18th and 19th century cameos has come vir-



French 1890s ruby and diamond dragonfly brooch or hair ornament, sold by Sotheby's recently for £40,700

tually to a standstill. From a connoisseur's point of view this is disappointing: at their best cameos are superb sculp-tural works of art, but they do have a cerebral rather than decorative appeal and the soft-ening of this particular field shows the importance of fash-ion and wearability in the mar-

Boodle and Dunthorne, with shops around the country, sell Quality, style and

workmanship count more than ever for every period

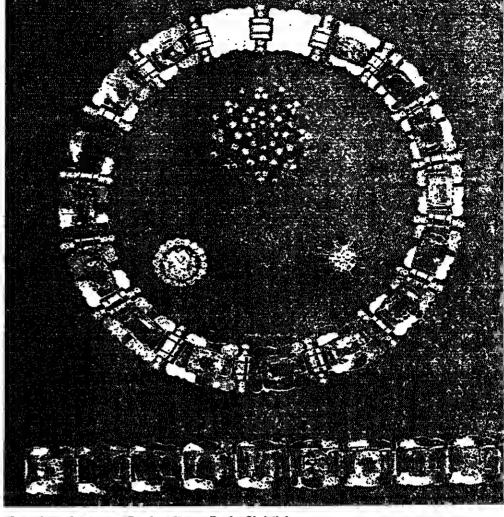
medium-priced antique and period jewellery almost exclu-sively to the British public, and the company emphasises the importance of quality and wearability. A commercial Art Deco diamond bracelet never lasts long in stock and is prob-ably their best-seller.

Customers appreciate the traditional understated beauty of later Victorian and Edwardian diamond star and crescent brooches, or gold and seed pearl jewellery from the same period. One in three customers prefers to huy an old, or antique, engagement ring.

The anction honses are tainly from their viewpoint there have been no real dips in the jewellery market over the last few years. They have benefited from a huge influx of private buyers who like to buy good jewellery to wear and who enjoy the exciting, bustl-ing atmosphere of the saleroom in order to get them.
Simon Teakle of Christie's believes that the very strong market will continue. David

Bennett, European head of jew-ellery at Sotheby's, points out that markets investigated three or four years ago are now firmly established, notably 1940s, 50s and 60s jewellery, still under the sparkling influ-ence of the late Ducbess of Windsor whose baubles besieged the news about two

years ago.
Since then the Cartier cha-risma has soared and good examples are rare and at a premium. Other names to seud the zeroes flying across the auction rooms include Van Cleef and Arpels, Maboussin, Boucheron, the more esoteric Belperon (favoured by the Duchess of Windsor) and Sterle, whose colourful, some-times quirky, jewellery repre-sents the best of 1950s French



Glittering prizes: more fine jewels on offer by Christie'a

Love lt or loatbe lt, 1960s jewellery is being promoted by Sotheby's this spring, but this market niche for swinging relics has yet to be firmly carved out. Prices have jumped in at the deep end. A buge and impressive gem-encrusted necklace, brooch and earrings is expected to raise about

The most distinctive designs come from American designer David Webh, who produced cartoonish creatures, frogs with jewelled warts and snow-white enamelled tigers.

Other names to conjure with will be enormous. include Schlumberger, maker of exotic and rich jewelled fan-tasies, and Verdura. New

Experts believe that the massive poteotial of Japanese buying power will be the next force in the market. The Japanese buy jewellery both to wear and collect and when they singls out a period or

style their influence on prices

York's high society designer.

Even 1960s Bulgari is taking its place in this star-studded

At the same time, if inflation rises ever more sharply there is the worrying possibility that a destructive new investment element might creep in.

It seems that as a general rule the costliest items hring the best real financial rewards over the years. The advice is as always, to buy the best quality you can afford at every level, wbether on 1960s gem-set extravaganza or a superh but small gold Art Nouveau tiepin

O MUCH- of modern, mass-produced designer jewellery brings to mind Marilyn Monroe. On seeing a tiara for the first time; Sugar, in Some Like it Hot, gleefully squealed: "Oh, a

'Animai' jewellery is still in high demand

new place to wear diamonds!" Art jewellery has offered a refuge from the merciless glint of gold and diamonds, and a more individualistic alterna-tive, ever since the sculptor Alfred Gilbert, some 70 years before his kine, twisted a neck-lace out of a piece of silver!! wire and Lalique made his exquisite Art Nouvean confections out of materials chosen for their aesthetic rather than their intrinsic value.
Lalique's mastery raised a

craft to an art form, and artist-

Offering a refuge from the girl's best friend

Susan Moore reports on the exciting and sometimes unexpected world of modern designer jewellery

Caroline Broadhead's Mod- definitely not neck laces) have stands come with this jeweller- textured matt finish, or of and hardstones is no longer almost universally deemed

ideologically unsound. New Jewellery makers whose work is on the cusp of the wearable. Whether made of bronze or holdly coloured craftsmen ever since have wearable. Whether made of found few materials unworthy. The avant-garde New Jewellery of the 70s brought us body art minimalist neck pieces (very

- Caroline Broadhead's Mod-definitely not neck laces) have remistic structures made to the clarity, spareness and frame the head and torso — heady of precision-made inlaid brass or patinated and jewellery made out of any instruments. It is no coincition from feathers to nylon-dence that he trained as a zeros on the price tag varies monofilament. Today, it seems sculptor (he is now Professor of accordingly.

That British artijewellery for Metalwork and Jewellery at — One of the most appealing the use of precious metals—sold at his recent exhibition at of art jewellery — and one

Contemporary Applied Arts were bought by museums. Watkins' hi-tech can look

stunning, but is not always nser-friendly. In contrast, Wendy Ramshaw's no less rig-orous or precisely crafted orbital neck pieces are far more accommodating. They are out of Kandinsky and Klee rather than Bauhaus. Arguably the country's leading and most innovative jewellery maker, she is best known for ber yel-low gold ring sets which allow the wearer to vary the geomet-ric forms and clusters of stone by changing the position and order of the rings. Display

which distinguishes it from the High Street and Bond Street — is the subtlety of surface and texture. Gerda Flöckinger has been independent enough to continue producing her distinc-tive patinated and precious pieces since the 50s. Gold or oxidised silver surfaces are cor-uscated like scallop shells, with gold filigree work and sprinklings of matt topaz, opals, coloured diamonds and freshwater pearls.

Jacqueline Minas achieves undulating lines and soft surfaces of great beauty. Necklaces are of graduated, overlapping discs with a lightly

articulated bell-like units. Her yellow gold hrooches with a platinum gauze inlay shimmer more like Fortuny silk damask than metal. Cynthia Cousens similarly produces gloriously subtle and delicate surfaces for her stylised pod and leaf-like pins and cuff-links. Both adapt ancient techniques such as mokumé-gané, in which copper or silver, or different coloured golds, are laminated, pierced, rolled and thinned to create a

delicate surface pattern.

Breon O'Casey, leading the jeweller "primitives," displays a tremendous feeling for materials which endows his impressive necklaces with a rude nobility. His beads of matt gold, unpolished lapis lazuli, carnelia or Cornisb granite are not for those who like their jewellery to scream its price tag: the spirit is more Pablo Picasso than Paloma. Other

acknowledged sources include pre-Columbian metalwork, African tribal and Egyptlan ornament, and Alexander This interest in surface

extends to less costly materials and to the younger generation. lous cloisonné enamel. Jane Adam's painted and dyed aluminium brooches, inspired by Indian paisleys and Mughal painting, are exuberant cornucopias of colour. Peter Chatwin and Pamela Martin work with wood, making jewellery with beautifully dyed and laminated sycamore veneers or with a smooth marquetry of individually coloured chips of wood.

Fun, quirky pieces tend not to be of the finest quality or craftsmanship, but there are notable exceptions. Vicky Ambery-Smith will make you a vigorous ring or brooch modsuburban semi, a Georgian pile or a Venetian palazzo. The idea, presumably derived from medieval shrine rings, sounds appalling, but the pieces some-

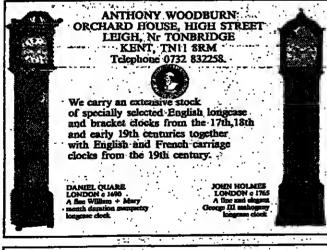
bow bypass the kitsch. Esther Knobel creates witty balletic figures or warrior bowwith bright enamel paints. Kim Ellwood's jolly painted tin hrooches start at around £12; the more substantial pieces use bronze and gold leaf. The Danny Katz-style cut-outs by Gordon Stewart are made by transfering photographic images onto aluminium.

What are the dominant trends? Painted tin and postpunk plastics seem to win bands down. At street level, Anne Finlay makes earrings out of screen-printed polymer film. Peter Chang's larger than life (in every sense) bangles, evolved out of Miro and Arp, are of quite a different order.

One of his hrilliantly coloured bracelets will take two or three weeks to make. A basic shape is carved out of polystyrene which is then built up with papier maché. All sorts of things from sheet acrylles to dressmakers' glass-headed pins and felt-tip pens are then super-glued on, sanded and polisbed at every stage, to create an exotic lacquered inlay. Ear pins and brooches, all deceptively light, are similarly con-

Chang's work is as good an example as any of the advis-ability of discussing insurance cover with the maker. After all, few brokers would fail to raise an eyebrow at a claim of £700 to replace a plastic bangle.

■ The jewellery discussed bere may be bought or com-missioned in London through Contemporary Applied Arts, 43 Earlbam Street, WC2; the Crafts Council Shop at the Victoria and Albert Museum, SW7; and at the Electrum Gallery, 21 South Molton Street, W1. An exhibition of contemporary German and British jewellery continues at the Crafts Council Gallery, 12 Waterloo Place, SWI, until July 16.







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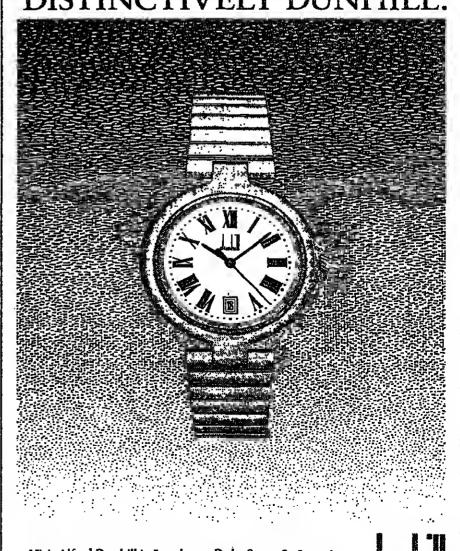
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Swiss are back on top second time around

William Duliforce on a renaissance in Geneva

WISS watchmaking, magnificently resisting the assault of Japanese industry, has emerged from a decade-long crisis not with its reputation for technical superiority intact, hut having acquired a quite un-Swiss cachet for provoca-tive design and imaginative

This turnabout has been symbolised by the cheap plas-tic watch, dubbed the Swatch, of which close to 60m have heen sold in less than six years. The flexibility of the automated Swatch manufactur-ing process and the adaptabil-ity to colour and design of the materials used have allowed the creation of more than 400 Swatch models strikingly indi-vidualised for fashion, sporting

or just pop appeal.

They have carried bizarre, whimsical names such as Jelly Fish (a transparent watch), Granita di Frutta (scented with fruit flavours), Frozen Dreams, High Moon and Velvet Underground. Some, such as the Breakdance Swatches with a graffiti appearance and fluores cent colours, have become cult items.

At the other end of the scale, Swiss houses with prestigious names continue to hold an esti-mated 80 per cent of the market for luxury watches. But even they have not passed untouched through the convulsions of the crisis in Swiss watchmaking. Their number bas been trimmed and some now operate under new ownership. Last year Swiss watch exports exceeded SFr5hn (£1.76bn), setting a new record more than 16 per cent higher than the figure for 1987.

The number of timepieces delivered rose by 3.8 per cent, indicating that the faster growth in value was due to the success of the more expensive watches. Customers placing orders for some of the latest jewelled designs of the luxury houses will have to wait up to two years for delivery.

The fact is that Swiss watchmaking has entered another, though more palatable crisis: a shortage of skilled watchmakers has arisen just as fashion has swung back to chronome-ters using mechanical movements instead of the omnipres-

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ent quartz. This shortage in skills stems from the cataclysm the industry went through in the 1970s and early 1980s when the Japanese manufacturers' spaedier exploita-tion of the electronic revolution and mass production methods appeared to be devas-tating artisan-hased Swiss

watchmaking.

Between 1974 and 1983 production of watches and watch movements in Switzerland tumbled from 91m units to 45m. Between 1975 and 1983 36 out of every 100 people working in the industry had lost their jobs. The recovery has been largely orchestrated by a small group, led by Nicholas Hayek, head of an engineering consultancy husiness and an

outsider.

The group took charge of the Société Suisse de Microélectronique et d'Horlogerie. SMH, created from the merger of the two biggest Swiss watchmaking concerns, was largely

The provocative design of the Swatch watch has helped the Swiss out of a crisis

funded by the Swiss banks. Under Hayek and Ernst Thomke, managing director of its watch division, SMH has revolutionised the mass pro-duction of cheap quality watches, transformed the industry's marketing tech-niques and stimulated the

imagination of investors.

After five years of steady, if occasionally precarions improvement in its results, SMH last year reported a 36 per cent climb over 1987 in net earnings to SFr105m on a SFr1.85bn turnover and was indisputably the world leader in the watchmaking industry. It was able to raise its share-holders' dividend from 6 to 8 per cent.

last September, when he told a group of analysts that in another five years SMH could reach SFt5bn in sales (allowing for acquisitions) and a cash flow equivalent to 20 per cent of turnover. The Swatch, SMH's best known develop-ment, illustrates the two-

pronged approach that has brought it success. With the Swatch the Swiss won the technical hattle against the Japanese. They reduced the number of parts used from over 100 in an ordinary watch to 50 and invented a way of assembling them in one operation, which opened the way for fully automated production.

The SMH team gave full rein to designers and salesmen to cooperate in exploiting tha innovative opportunities created by the technology for using not only plastic but other materials (for instance, the Rock Watch created for Tieset). One of the most Tissot). One of the most remarkable facets of the Swatch story has been the speed with which SMH has managed to have it established as a consumer hrand. Oldar brands in higher price brackets inherited by SMH have benefited from this twin-pronged

Omega's range of models was reduced in three years from more than 2,000 to 130 divided among five production lines. A new model, the Art lines. A new model, the Art Watch, hased on a Bauhaus design, made an immediate mark. Patek-Philippe, once regarded as the Rolls-Royce of the luxury watch-cum-jewellery business, has used CAD (computer assisted design) technology to develop its latest models and is investing more and more in marketing. The and more in marketing. The cheapest of its watches costs around SFr4,000, the dearest are priced in millions.

Elsewhere, change has come with new owners, sometimes non-Swiss. After a successful battle hy his lawyers against Swiss property law Sbeikh Yamani, the former Sandi Arabian oil minister, has secured control of the world's oldest watchmaking company, Vacheron et Constantin, founded in 1755. Its new managers have been given carte blanche to modernise production, trim the model range (without harming the prestigious image), re-or-ganise marketing and double production over the next three years to some 10,000 units a

Cartier, the world's leading costume fewellery concern, bought controlling stakes in Piaget and Beaume et Mercier, two of the most famous Swiss watchmaking houses, last year. Alain Perrin, chairman of Car-tier international, voiced the intention of throwing his two Rolex" for the number one position in the global luxury watch market. Rolex, always secretive about its accounts, produces annually some 600,000 watches at prices rang-ing from SFr5,000 to SFr100,000 and is reported to hold 25 per cent of the market.

Girard-Perregaux, a smaller manufacturer of high-price watches at La Chaux-de-Fonds, has taken a different tack from that of the Geneva houses. In a that of the Geneva houses. In a management buy-out, control was secured earlier this year by a team headed hy Francis Besson, its managing director. At the same time a joint venture was established with Bulgari, the celebrated Italian jeweller. This venture will produce the movements for the watches of both partners.



New face in a traditional craft

"I GREW up with craftsmanship. My father was a long distance lorry driver but he made banjos. Who for? He just made banjos." Catherine Britnell is 25 and as she talked we were sitting in her little second-floor watch and clock workshop in London's Clerkenwell, where she keeps a tradi-tion alive.

To many, the image of Cler-kenwell is Dickensian; roly-poly men with side whiskers producing beautiful clocks and watches in a haze of rum punch and spiced sausages. It isn't true and never was. But

there is no doubt that the old watchmakers' Clerkenwell is dying. If you walk down St John Street you don't find many of them left, but it is heartening to find young craftspeople trying to preserve a little of the past, and doing quite nicely financially as well.

Britnell talked of her long career up to the age of 25. I used to buy and sell antiques at market stalls and I came into contact with watches, which made me want a more practical trade. I suppose I was fed up with wheeling and dealing."

There followed a three-year course at the London School of Horology and six months in Switzerland, learning about watches from what can only be termed the source. "Now I specialise in vintage wrist watches — Patek Philippes and Rolex and the rest."

Much of her work is restor ing. Auctioneers will tell you that a great number of wrist watches put in for sale require fairly extensive work, hnt there is a danger in over-re-storing. An anctioneer recently showed me a beautiful wrist watch which had recently been "souped up" with diamond studding round the bevel, which made it fairly unsales-ble to anyone with a modicum of good taste.

Britnell is trusted with work from auctioneers. She has Sotheby's as one of her custom-Sotheby's as one of her customers and also the Greenwich Maritime Museum. But sadly she doesn't see much of a future in Clerkenwell. In spite of attempts to revive the watchmaking area, she thinks her future lies somewhere else. Whatever that is, it will not be making banjos . . .

maker would still bring in the money. But Greenwood said: "Wrist watches have really

taken off and kept going, par-ticularly the great makers like Patek Philippe, Rolex and

According to Roger Lister.

the pocket watch market mainly depended whether you were collecting for pleasure or for investment. "The sort of

Vactueron."

Geneva hosts a collection for the connoisseur

SWITZERLAND, with its long tradition of well-heeled neutrality, may not be too impressed by the bicentenary of the French Revolution and the jubilee of World War Two, but the 150th anniversary of a world-famous watchmaker is to them a celebration.

indeed.
This year antil September
Geneva's museum of horology
is housing the Patek Philippe
collection, built up over the collection, built up over the company's 150 years. The company was founded in Geneva in 1839 by Antoine Norbert de Patek and a compatriot, Francois Czapek. They were joined by Adrien Philippe, a French watchmaker, inventor of an interrated stem-winding and watchmaker, inventor of an integrated stem-winding and setting mechanism. They ploneered developments such as the five mainspring, the sweep seconds hand, the improved regulator, the chronograph and perpetual calender mechanisms.

In 1932 the company

in 1932 the company
changed hands and went to
Charles and Jean Stern. Today
the third generation of Sterns
owns the company.

Today Patek's production consists mainly of wrist watches, but the company still makes pocket watches and clocks to order. They can provide timepieces with decorations such as miniature paintings; in fact, they will iake anything to order, though the timeplece may take years to complete. Garatar of the Patek

collection is Alan Baubery, a 57-year-old Londoner who worked in Geneva first in the early 1950s, came home to do national service and then, after working for Garrard, returned to Geneva to Patek Philippe. Banbery says of the exhibition: "No other waithmaker in the world

could show such a collection."
For those with a few thousand to invest on their wrists, Patek has a London base and showcoom at 25. New Bond Street, W1, tel: 01

· Alan Forrest

Healthy time for auction rooms

O YOU want something lovely to wear on your wrist and make you feel rich? Or something to put away in a safe until it has made you richer still? Or do you want to own a little piece of history? Whatever your reason for going into the watch market, the auctioneers are anxious to

It is difficult for anyone who is not a horology buff to look at the market without being cynical. "Why do they want to spend all that money when all it does is tell you the time?" a colleague asked me. The answer isn't easy, but one thing is certain: the market for watches at auction is still in ude bealth

Two of the big auctioneers, Christie's and Sotheby's, have just concluded successful sales in Geneva, while Roger Lister at Christie's South Kensington, the offshoot that bandles watch auctions in the UK, now looks optimistically at the prospects of a record annual turnover. But it is not neces-sarily all downhill.

There were indications not so long ago that the boom in the pocket watch market was over. It had taken off some years ago, flourished, then declined until it seemed that prime pocket watches were not appreciating too much ahead of inflation. There had been great expectations, including one that can only be described as The Great Waistcoat Myth. Now the well-heeled mals was

buying three-piece suits again, the thinking went, the next step would be an opulent antique pocket watch to shout his prosperity to the masses.

One auctioneer, in cynical mood, said: "What we weren't prepared for was the hazards of travelling. With all this mugging, the last thing a person wants to do is to shout prosper-ity. After all, one of the first train murders in the last century was committed because the killer spotted a man wear-ing a valuable gold watch." But that is taking matters

too far. Last week auctioneers were rejoicing in the signs of a recovery in pocket watch sales. Alan Forrest on the

state of the watch market in the major auction houses

Richard Garnier of Christie's had just returned from Geneva where a sale had netted more than SFr2.1m, (£744,840) including a 1620 gold, enamel and rock crystal clock-watch which fetched SFr110,000.

But Garnier's great pleasure was in a special sale which succeeded beyond an auction-eer's wildest dreams. Leon Hatot was one of the lesser-known watchmakers and jew-ellers. He started business in Paris in 1911 with 12 employees and by 1920 it was one of the largest workshops in France designing and producing for all the big names — Boucheron,

Mappin and Webb, Asprey, Dunhill and more. When World War Two came,

the firm's stock was placed in a bank and left untouched until quite recently. This was what Christie's sold — every completed item had a copy of the original design, often in colour, and workshop instructions. The sale realised This was a piece of history.

But history doesn't always cost so much. At Sotheby's in Lon-don's New Bond Street, Tina Millar showed me a couple of interesting items scheduled for their July sale. One was a George V Coronation pocket watch (1911) which, although quite a piece for the modest collector, will probably sell for around £300. Another was a World War One officer's wrist watch, complete with grille to protect it from the whizz-

bangs, and a military manual (probably around £500).

This is on the low side for Sotheby's. Its Geneva sale attracted some hig prices. Best of all was a Leroy gold cased pocket watch with perpetual calender, chronograph and stop-watch mechanisms. It was knocked down for SFr520,000, more than twice its estimated

At Phillips in London's Blenheim Street, clocks and watchas man Christopher Greenwood agreed that the demand for pocket watches had slowed, although all auctioneers stressed that the spe-cial watch made by a top

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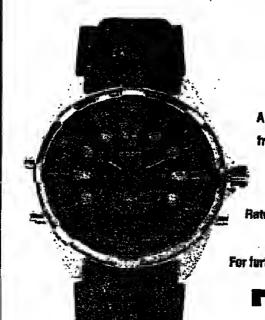
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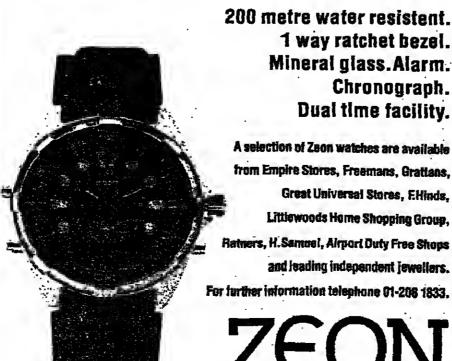




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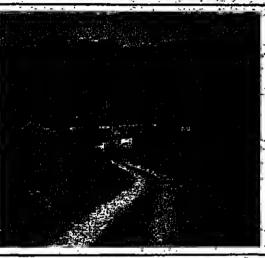


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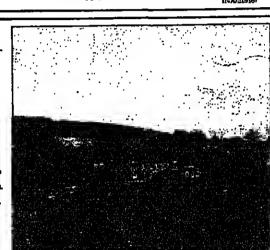
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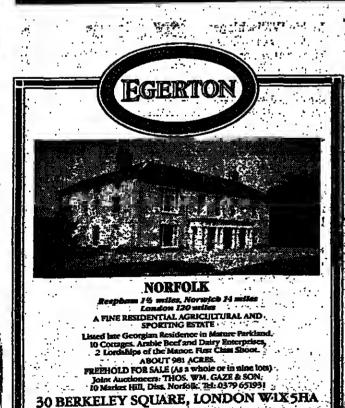


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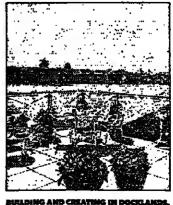
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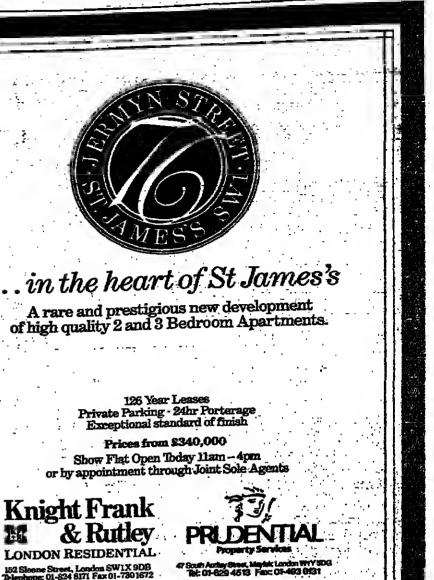


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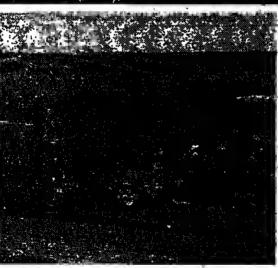
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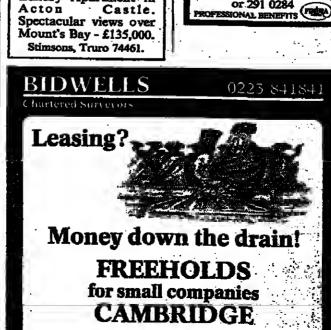
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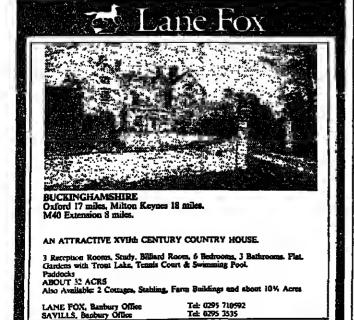
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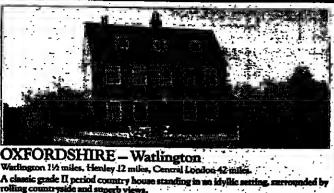


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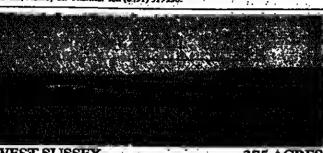
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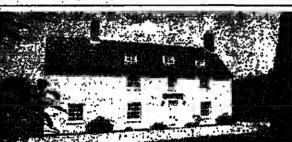
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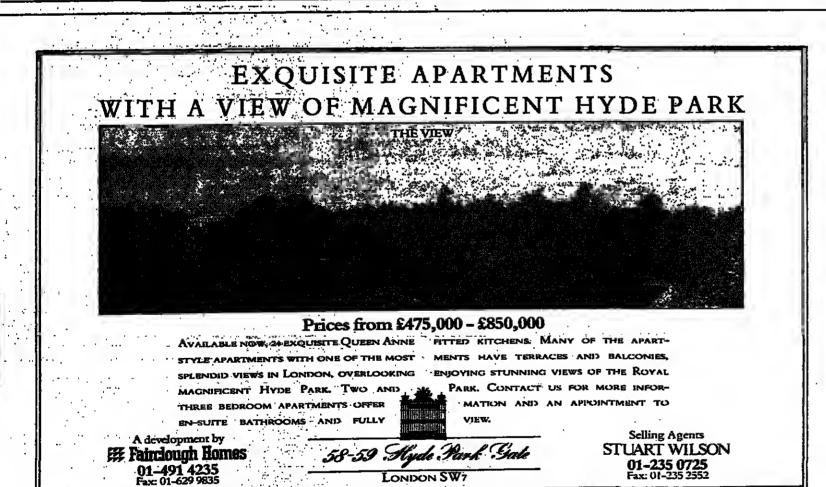
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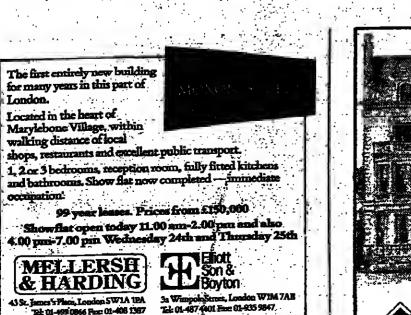
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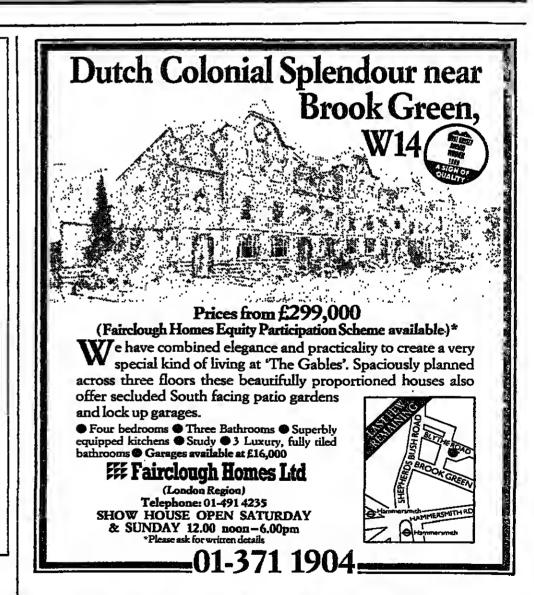
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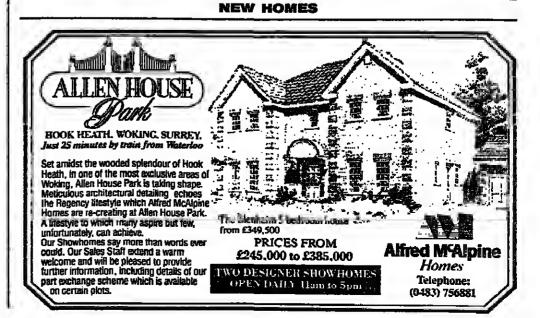
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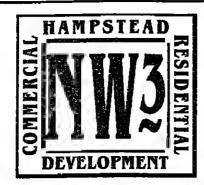












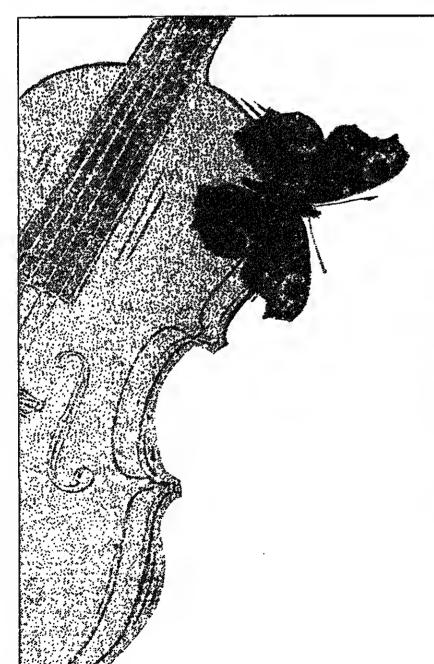
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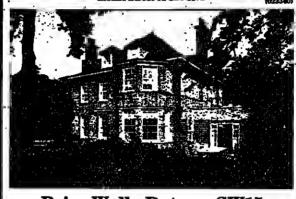
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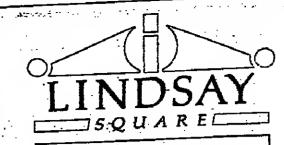


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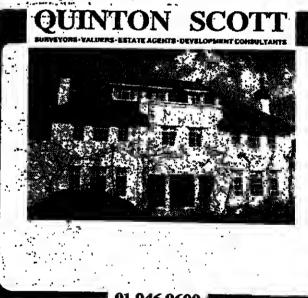
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PROPERTY

East is east and west is well, pricey

John Brennan looks at why two Thames-side developments carry such contrasting price-tags

THE SIMILARITIES are striking; both are Thames side, penthouses; both have been ... built on former scrapyards; both have smart addresses - although one is not as smart as the other: both lie close to building sites and have problematic road access both are linked by riverbus services; and both are for sale.

two contrasting ends of London's riverside housing. There is a £520,000 price tag for a 1,687 sq ft, four-floor penthouse at Thomas Bates and Sons' Cumberland Mills development, on the tip of the Isle of Pogs, and if is thought that the will be asked for the 4,500 sq ft top floors of the Belvedere Tower, in the P&O and Globe investment Trust's But it is there that the similarities end, for one costs £308 per sq ft for its internal Chelsea Harbour developm In both cases the agent is Saville (01-499 8644). space, the other £1,111 per sq ft, internal. Cumberland Mills and

souls who point out that, in spite of its name. Chelses Harbour is firmly in Fulham. lies next to the scon-to-be-redeveloped Fulham gas works site and the still-to-be-redeveloped Lots Road power station site, is next to a railway bridge and faces a none-too glamorous stretch of Battersea. Advocates for the prosecution would further contrast Cumberland Mills'

spectacular views of Greenwich and immediate

access to the riverside Island

Gardeus with its Docklands Light Railway station. But the jury wouldn't be swayed. West is chic and east is, well, the Isle of Dogs. Thus, the selling work on Chelsea Harbour's 300 apartments and houses is nearing completion
– although top-floor flat
enthusiasts still have a choice of five 1,856 to 2,404 sq ft apartments priced from 2425,000 to £1.5m, as well as that yet to be released £5m top-of-the-tower slot.

Meanwhile the market downriver, as Russell Taylor

at Savills' Docklands office says, "is definitely slow whatever anyone says, but we are selling. "People come into the

Wapping office and they're interested in property in Wapping; say the Isle of Dogs, and they don't want to know. But when you take them there they're surprised, because down at the end of the island it's past the building work and it's quiet — and you've got the river and the views." With upwards of 3,000 completed or nearly completed flats and houses to choose from in the various Docklands housing markets, people who are viewing have become highly selective.

They are also treating asking prices as a starting point for negotiation, with developers reporting speculative bids 20 to 25 per cent below published sale

Offers like that tend to be laughed out, but cash buyers can fairly easily trim 5 per cent or so from quoted prices on most schemes.

HANKS TO Lord Young and his team at the Department of Trade and Industry, if vou have nothing better to do

on Monday morning you could set up as an estate agent.
It might take a few days to organise a short-lease office, arrange a telephone and dispatch a few cards to drum up trade, but before the week is out you could be giving people valuations on their houses sed on your wealth of experi-Invest in good quality busi-ness cards and letterheads. Choose a rock-solid, almost familiar name for the agency, John D. Saville & Rutley, or perhaps something along the lines of Hampton, Parker & Stops. Use your year of birth as the founding date of the busi-

ness - a reasonable approach for a sole trader, you'll agree - and, with luck, you might even sell something before too long. Try the same thing as an insurance broker or general financial adviser and you would soon be packing your bags for a stretch in jail.

The Royal Institute of Char-tered, Surveyors also wants agents to be regulated, to oper-ate within a statutory code of practice, and it wants imple-mentation of the standards sec-It is not long since the Office of Fair Trading (OFT) found no reason to advise its sponsoring ministry, Trade and Industry, to implement Section 22 of the 16 year-old Estate Agents Act. That section calls for each agent to have satisfied the OFT that he or she has a minimum standard of competence in the business. It may seem a little odd to the 5m people involved in

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home moves each year that the country's principal consumer watchdog thinks it unnecesstandards rule as "an opportu-nity missed." While a host of individual senior agency part-ners and directors have joined sary for estate agents to be minimally competent and that the Department of Trade and

technical and ethical standards of unqualified practitioners in this service industry."
All this seeming unanimity raises the bemusing spectacle of a leading service industry virtually pleading for regulation while the regulators stand the one side chanting country. to one side chanting caveat emptor at home movers.

SMOOTH Y

vices groups. The national agency chains have been among the loudest of those arguing for proper agency training and adequate regulation. It is the competition between the chains and independents that has helped to generate much of the pres-

past five years by financial ser-

However, there is an intrigu-ing and important descant to standard of customer service. I THINK THE SOLICITORS ALONG NOW HALL

the general chorus of agreement among agency leaders that their business should be

properly policed.
Geoffrey van Cutsem represents the case of many of the long established agencies when he blames an "explosion of high street agents and the new hig chains" in the bull market years of residential property as one reason for the arrival of inexperienced negotiators.

Criticism of the individual rogue agents is universal. How-ever, there is a thinly disguised rift between the independent agencies and the new national chains. The independents are swift to criticise the standards the Department of Trade and in the chorus.

Industry should talk of the Anthony Lassman, of May swift to criticise the standards need for self regulation, but fair agent Lassmans, said he of service in the office chains,

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Joe Bradley, managing director of the country's largest agency chain, Prudential Prop-erty Services, has consistently argued for government regulation and for the importance of comprehensive staff training.

Jim Birrell, chief executive of the Halifax Building Society, with its own national agency. made the point at the Building Societies Association Conference earlier this month that "the impact of (these) national chains on the market-place has not yet been that great, since acquisition and assimilation have taken up much time and effort. But gradually, through the better and wider range of services these chains will offer.

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was "appalled at the lack of which have been formed in the technical and ethical standards past five years by financial serthe estate agency profession improve, but the public will get a much better service."

Just how much better that

service might be - and how surprising little these improve-ments rely upon the standard of estate agency skills — is highlighted by the results of the Halifax's survey of home

moving difficulties.

The survey found that more than twice as many movers hlamed solicitors for delays than agents for poor service. Even when checked against a list of possible difficulties, the huyers felt that legal delays outweighed problems with

Overall, home moving is seen to be too slow and unduly complex, and whether the sales agent is good, had or indiffer-ent would have little impact ou delays at the Land Registry, with local authority searches,

or with conveyancing.

The Halifax favours regulated, but openly competitive conveyancing, on-line access to computerised and expanded Land Registry files incorporating all local authority search data. It also favours the creation of property log books containing all the relevant building, surveying and valuation information needed to transfer homes.

By making vendors responsible for providing all relevant information to prospective buyers, and by having progress chasers for buyers until all the paperwork involved in a purchase and sale bave been drawn together, the Halifax sees no reason why the drama and delays of home buying ..

should continue. Cutting buying time would also ease the related difficulties of gazumping and its reverse, gazundering, which are encouraged by the length of time it takes between agree-ing to buy and signing the completiou papers.

Taken to its logical conclusion, as the Relocation Services Institute suggested in its sub-mission to Eric Forth, the consumer affairs minister at the DTI, there is no real reason why home buying should not be a one-day transaction.

In this scenario a buyer holding a pre-arranged mortgage loan certificate is introduced to a seller holding the property's full, updated records. Both are advised, the vendor's estate agent paralleled by the buyer's relocation agent.

A computer check of local and Land Registry records takes a matter of minutes, a physical inspection an hour or so, then it's a matter of buyer, seller, their agents and the agents' conveyancing lawyers meeting and signing at a Notary Public's office. The Notary keys-in the transfer details to the various property registers, and the deal is completed.

Given that realistic, albeit still distant, target for an effi-cient property transfer system, the debate about estate agents' standards can be seen in better, perspective.

Compliants about rogue agents spark indignant reactions within the business. But they are a virtual side issue set against the radical changes for the way we exchange homes that are on the horizon.

J.B.

You too can be an estate agent

not regulation. What should encourage those movers is that the agents think it odd as well. Geoffrey van Cutsem, chairman of Savills' residential division, is agreement of sevilor agents recorded to the control of the c of senior agency people to com-plain just as bitterly about unprofessional estate agents as the most irritated costomer. Commenting in Savills' maga-zine, van Cutsem rails at what he describes, "a scandal and an he describes, a scandal and an utter disgrace to the world of estate agency that a person's most valuable asset, their house, can quite legally be sold by an untrained, unqualified 18-year-old, fresh out of school, with no experience or professionalism and quite possibly not even token guidance from an experienced manager. He wants agents to be licensed and a government-sponsored standards authority to monitor the agency business

to monitor the agency business with the power to revoke an agent's licence for serions

tion of the Estate Agents Act, arguing that "competition is not stifled by demanding that estate agents show a reason. able standard of competence."
The National Association of
Estate Agents has described
the failure to implement the

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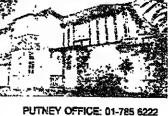
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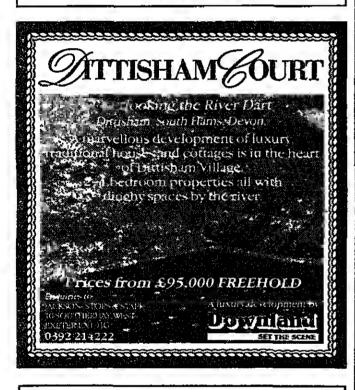
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AKE A bome, add a scenic stretch of water, and you have that saleable commodity, the waterside property. Developers and sales agents know that a property's proximity to water has a hypnotic effect on people's attitude to prices. Direct price comparisons between equivalent water-front and landside properties

tend to be misleading.

In new schemes developers make their architects contort designs to ensure that there is a dockside, lakeside, riverside, or seaside view somewhere in the frame. If the site is not that maleable, designs may well incorporate sufficient distinctions in size and fittings between the waterfront and the non-waterfront properties

to even-up their value.

The best hope of defining the watery premium is to look at refurbished dockside properties, although here again developers are only rarely trapped by the physical structure of a building into providing exactly comparable homes on and off the water. Such comparable evidence as there is tends to be limited to the big dock refur-bisbment and rebuilding schemes. In Swansea, Liverpool and parts of London's Docklands, during the past few years' bull market, a water view would have added roughly 20 per cent to the sale price of a property. Critically, both for develop-

he 1988 Housing Act

has failed to become

bedside reading for the landlords of

Andrew Wickham, of the

Ramsbury office of surveyors John German, said would-be

tenants were queuing up for

properties across the county but few owners seemed to have

noticed the provisions of the

Act, which came into force in

mid-January, effectively ended long-term security of tenure for

Assured Shorthold Tenan-

cles allow owners to rent for

six-month stretches with no

risk of finding that their tenant

ers and for buyers considering resale values, a water view can make the difference between a sale being completed or not. In effect, waterside homes are coming to represent a distinctive sub-section of the housing market, and a sub-section that is showing at least a degree of insulation from the general indifference that has characterised residential sales since the autum. This is a view you will find expressed in an entbusiastic, but normally vague way, by any agent with a property on the waterfront on his or her books. That could be discounted to the water of the discounted water and the discounted water agent with a discounted water and the discounted wa be discounted as sales talk but for the fact that there have been changes in this end of the housing market in recent years which back up the anecdotal case for the emergence of a distinctive waterfront market.

The single most important change has been the impact of tight planning controls on greenfield housebuilding sites. As the supply of easy sites has dried up, builders have been forced to tackle more complex sites. That site shortage has translated into a two or threefold increase in land costs and completed property prices across the country in the past five years. The builders' problem has come complete with its own solution. Higher sale prices have justified the higher costs of building on river banks, or of undertaking the rehabilitation of former dock-

has acquired any right to stay in the property beyond that term, yet, as Wickham says,

few vacant properties have come on to the rental market

since the new rules came into

people who are looking for

somewhere to rent for all sorts

of reasons, At one end there

are people who cannot afford a

mortgage at the moment, at the other, there are many peo-

ple whose jobs have moved

into the area and who want to

rent for a time to look around

before deciding what to buy."

"They are wary of bnying

"There are any number of



Mrs Thatcher looks at a model of the St Peter's Basin development with Sir Lawrie Barratt (right) Barratt Group chairman John Swanson (left) and Barratt Newcastle managing director

Builders would not have taken to the water to such an extent but for another change - the adoption of improved construction techniques. Add in the effect on planners and builders of seeing harbour housing developments come to life. plus Government pressure on local authorities and state

straightaway, and in areas like Mariborough, Ramsey, Hunger-ford, Newbury and all around

Swindon, people are looking for homes to rent. "I get 20 or so inquiries each week and it is impossible to

Wickham reports that a three bedroom modern house

in Mariborough would be let for around £450 a month at the

moment, while a similar sized period property could rent for

At those prices rental yields

ase for rent a viable prop

range up to about 6 per cent gross, not enough to make a

osition. But that is sufficient to

£500 to £600 a month.

match demand with supply."

Would-be tenants search for homes

industrial land for development, and you have all but one of the the ingredients needed to explain the creation of a new generation of waterfront

The only missing element is buying demand. But given the site constraints, and the oppor-tunities presented to builders by former industrial wharfs

make a meaningful contribu-tion towards holding costs for anyone with a vacant property

in the area, and certainly worth considering for anyone with a reasonable family-sized,

and under-used holiday prop-erty able to be let out for at

least half a year at a time who

standing empty.

Supply is failing to meet demand for rented housing in Wiltshire dock and lakeside homes around the country has created an element of marketing

momentum.

doesn't want the problems of organising shorter holiday let-Andrew Wickham (0672 55755) and his queues of would-be tenants are certainly keen to hear from any Wiltshire owners with space

and surplus dock space, the market for the new generation of waterfront properties has been, to a great extent, supply-led. Of course, if people hated living on waterfront sites that new supply would have been short-lived. Builders would have moved on to mountain tons, or motorway-view propertops, or motorway-view properties. But since water does appeal, the announcement of a steady stream of new marina,

Increasing familiarity with the idea of water-linked developments, and the generally high quality of these schemes where the extra site preparawhere the extra site prepara-tion costs have, in any event-dictated the need for higher-priced homes, has made people see that living in sight-of-boats is a realistic, as opposed to an idealistic housing option. There have always been peo-

ple who buy and convert lighthouses, who can afford a river-side mansion in Henley, or whose retirement dream is a hungalow hy the sea near Broadstairs. But it is only with the new generation of compre-hensive developments that a

retirement apartment, or as a way of combining a first home and holiday home under a single

gle roof. Even five years ago the sight of Sir Lawrie Barratt, life president of Barratt Group, showing Mrs Thatcher, the Prime Minis-ter, plans for a 126m, 281-home, marina centred redevelopment of St Peter's Basin, Newcastle, would have been regarded as the height of accentricity. Now, with Barratt's waterside homes selling from Brighton to Liver, pool, the only oddity about a Newcastle marina with homes priced from £30,000 to £110,000 is that no one thought of doing it before.

The news that there was to be another big marine scheme by the River Wear, this time a 230m, 350-home project on Bru-nel's North Dock in Sunderland - proposed by Newcastle architects AJS Partnership and to be developed jointly by Bowey and Leech - has gener-ated considerable local interest. Any such plan, and cer-tainly any two such plans at more-or-less-the same time on a hard-worked river such as the Wear would have would have been seen as cause to reach for the straitjackets at the beginning of the 1980's.

Familiarity has, then, bred content with the idea of buying by water. There is no sign that the market is losing its novelty value. At Brixham, on the south of Torbay in south Devon, the show houses in US marine developer Charles B Flemming's 64-home Prince William Quay development are reported to have have drawn in 3,000 visitors in the first 10 weeks of viewing after Christmas. While it is inevitable that the locals would want to see what you obtain for £175,000 to £350,000 a time, it is hard to imagine that an equivalent some nondescript eul-de-sac, would have drawn a queue at a time when most new homes

sales staff were getting lonely.
Short-term, that interest
may be tempered by the caution that has cut home sales
volume to a shadow of the activity in the market at this time last year. Long-term, it underpins resale values as marina homes cease to be seen broader range of huyers has as the preserve of those who been able to look on waterside actually use the yachts that homes as a direct alternative add interest to the view.

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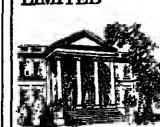


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You just enjoy the meze and forget you can get all this for £79* Which reminds me. I'd better swim past the Acropolis once more to work that lunch off.

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A primeval, changeless landscape

Michael Wigan visits the extreme north of Scotland

O CROSS over into the pastoral scenery of Caithness, in Scot-land, astonishes first-timers travelling north from the wild expanses of Suther-land. Caithness, which looks like nowhere else, seems the beginning of a new landform instead of the cap of the British mainland. Again, appearances are deceptive approaching Orkney across the octoriously tempestuous Pen-tland Firth.

Hoy's beetling 1,000 ft cliffs, the tottering red stack of the Old Man, give way not to another mountainous terrain but to the verdant and gently sloping pastures of Orkney's fertile escarpment. Scotland's far north, warmed by the north Atlantic drift, is geographi-cally, historically and tempera-mentally apart from the rest of

Where Orkney's landmass has been occupied and utilised for as long as anywhere in Britain (since 6,000 BC), Caithness boasts a primevally changeless landscape (the latest forestry incursions apart) a deep peat ecosystem that never supported trees even when the Highlands were clothed in Caledonian forest.
 The builders of the Camster

Cairns (two hnge tortoiseshaped drystone burial cham-bers), emerging from the cere-monial interment of their chiefs 3,000 years ago, glimpsed through swirling mists a level heather-clad moorland little different from any visitor's

view today.

The gleaming white quartzite cones of the county's southern mountain marches slope sharply down to extensive peatland, which itself vields as it nears the coast to crofted farms and walled fields. These reach to the cliff edge which girds the county's coast almost uninterruptedly. The characteristic Caithness

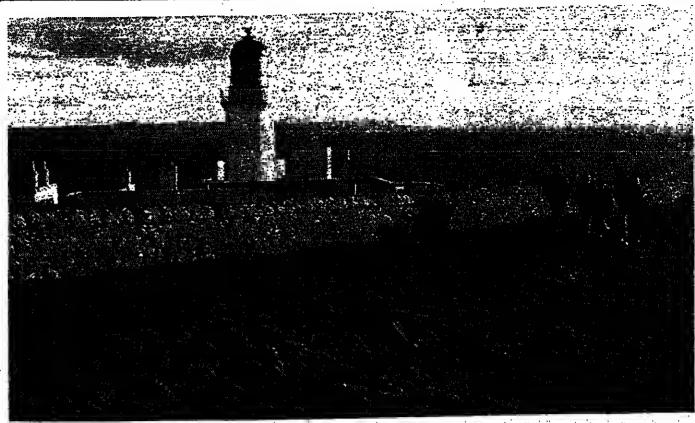
feature is walls of upright flagstones. These flat grey slabs dappled with mosses,

locally quarried, are sunk in the ground and overlapped at the ends, presenting the only windbreak in an almost treeless county. Commercial for estry will soon chequer this timeless scene, although so far most of the trees are mere sprigs tossing in the wind. Caithness's two main towns,

Wick and Thurso, are also pre-dominantly grey, the hnge pavement flags matching the dark stone-slated houses in a homogeoeity of soher colour reminiscent of Welsh mining villages. As might be expected of the two seaport townships isolated on Scotland's northern tip, Wick and Thurso maintain a friendly rivalry, Wick youths being known as Dirty Wickers in Thurso. Thurso's smaller size has been complemented by the expansion of Dounreay which, with 2,000 employees, accounts for a good proportion

of the county's workforce.
The nuclear reprocessing plant has opened a political divide between Caithness and Orkney. The large economic and social significance of Dounreay in a county of only 27,000 souls ensures local support for any planned expansion the station. But British Nuclear Fuels has a much harder time reassuring the Orcadians, worried that their economy, with its heavy depen-dence on fishing and tourism, could be jeopardised if an accident occurred.

Caithness is in the ticklish position of benefiting from tourists – almost all of whom are hound for Orkney. The county is a tourist backwater despite possessing some of Scotland's most romantic castles (Dunbeath, for example: a white, pinnacled, fairytale edi-fice perched on a cliff), and some mysterious archaeological monuments (the Hill O'Stanes: concentric neolithic circles of pointed dragon's teeth rocks, protruding from a coastal hilltop). The least interesting place is the most visited John O'Groats, site of a TRAVEL



Dunnet Head fighthouse, Caithness — the extreme north of the British mainland

Although technically part of the Highlands, Caithness peo-ple, with their breezy and vigorous ontlook, tend to regard themselves as special. It was only late in the 12th century that Caithness became part of Scotland at all. But it was not until 1471 that the Norse jarls, for whom Scotland's north had become a southerly province, agreed to unite the earldoms of Orkney and Shetland with the Scottish crown.

kiosk, a ferry and a starkly-sit-uated hotel. Orkney's spacious fielda Although technically part of unfolding into silver bays, the abundance of historic monnments and the narrow roads meandering through a welltended landscape, give an atmosphere of timeless solid-ity, of human effort having matched itself to a well-blessed environment. It has at once the feeling of being an island with-out the aggressive self-justification, born of dependence, that disfigures more precarious Scottish island communities.

Orcadians' Norse origins are apparent in place names, oddities of land tenure and the style of boatbuilding

Orcadians' Norse origins, apparent in the place names, oddities of land tenure and the style of local boatbuilding, are part of the islanders' awareness. The contrast between the islands which comprise Orkney on the one hand, and Suther-land and the wilder parts of Caithness on the other, is

The main Orkney island (Orkney "mainland" as they call it) has been converted wholesale to agricultural production in a maximisation of every available acre of the old red sandstone mantle. Almost

Orkney conspicuously lacks the tragedy-soaked feeling of the Highlands. The high romantic idealism which inspired the Jacobite rebellions: passed Orkney by. As a com-munity which witnessed its last native revolution, when the Orcadian Picts were over-come by the Norse in the 8th century, Orkney has developed a spirit of resolute indepen-

system of co-operative farming which enables farmers to overcome the crippling costs of ferried imports.
Orkney is certainly making

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dence. This is manifest in the

its historic monuments releits historic monuments relevant. The 5,000-year-old neo-lithic village at Skara Brae, probably the most perfect Stone Age village in Europe, is imaginatively presented by an onsite guide. Looking down on this small coastal township. buried in a sandstorm sever milienia ago, it is extraordinary to recognise sophisticated

drainage, cupboards of stone flags huilt into walls, fish tanks for the kitchen, conventional doorways, and so on. Orkney's circles of standing stones (notably Stenness and Brodgar) give distinctive character to the landscape, both as significant, indeed awesome. remains, and as, an integral. part of Orcadian scenery. From miles about you see their verti-cal dolmens bisecting the undulating planes of the hills.

The chambered cairn at Maeshowe (circa 2,500 BC), again, the finest of its type, is a bee-hive burial tomb built for kings, and fit for them. In its central chamber the marauding 12th century Vikings have left their early modern graffiti and runic inscriptions.

But the Norse invaders were far from being the ruthless predators of folklore. St Magnus Cathedral, similar to Dur ham in design but built in red and honey coloured sandstone, is magnificent. And the St Magnus church on the island of Egilsay, with its 48 ft Irish round tower, is as pleasingly proportioned a landmark as you could wish.

Among their lovingly pre-served ruins, the Orcadians bustle with prodigious energy. Small scale craft businesses such as knitwear, shellfish farms and specialised food products abound.

Diligence is not unmixed with sly humour. Two years ago I was intrigued by the more-than-ordinary number of birdwatchers thronging the pier. A report had been subtly disseminated that the legendary great auk, an extinct flight-less seabird last seen there in the 17th century, had again been sighted. The ferries plied a good trade for some weeks.

The forgotten corners of Britain (Galloway, south-west Wales) generally lie on the west Caithness and Orkney, like complementary provinces separated by one stormy firth, have the vigour of the eastern seaboard and the resilience of the north. Best of all, they are known for possessing some of the finest wild fishing in Britain. The folk are knowledgeable in the ways of the lochs. If it is personal contact you want, ask about the fish-

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David Scott ventures off the beaten track in Japan

Samurai turned teaboys

night life. For those wishing to explore both modern and traditional Japanese cultures and architecture and to get off the beaten track, it is an excellent

I had little luggage and time to spare, and decided to take a bus rather than a taxi from the station to my hotel. The bus driver wore a smart uniform and, like street cleaners I had seen in Tokyo, spotless white-gioves. At each bus stop a dis-embedied recorded voice broadcast a "thank you" to departing passengers and a welcome to those boarding. We stopped at a zebra crossing and the sound of cuckoos calling. filtered through the bus windows. This, I was told, was the "safe to cross" signal for blind

neople.
The city was ruled until the end of the Edo period by the politically astute Maeda Clan. From the mid-17th century, with the intention of allaying Shogunate mistrust of their military power, the clan lords instituted a strategy of cultivating cultural, as opposed to martial, arts. Weapons foundries were turned into lacquerware workshops, Samural warriors were trained in the tea ceremony, artisans were encouraged to take part in per-

APANESE LAVATORIES are similar to the French type but they are set into the ground and the raised platforms rather than into the ground and the send of the pen away from the door is hooded one squats facing the hood. In the gents' in Kanazawa station I noticed that a western style tollet had been fitted a common sight in Tokyo, but here more rare; instructions on here more rare; instructions on her to use it had been posted to the underside of the seat.

Kanazawa on the Japan Sea cost, has always been plystically separated from the political and westernisips influences of follow and Kyots to the east by the duration and severity of its winter snows and by the curst which escaped wartine bombing, has a long history as a centre for arts and crafts, and it is well known to Japanese visitors. It is in part an old castle town and partly a modern city with busy department stores and a thriving night life. For those wishing to explore both modern and tradi-

sit in solitude in the Moonflower Pavilion technose, order bean jam cakes and green whisked tea and contemplate the sight and sound of Midori Taki (the Green Waterfall). Flowers bloom all year around I was there in the win-

ter and saw plum trees in blos-som. Kenroken is said to per-fectly combine the six qualities by which a garden is classi-cally judged: size, seclusion, artificiality, running water,

views and age.

Wooden structures rot and burn easily, but in a land of volcances, earthquakes and hurricanes they are preferred to stone buildings, which can-not be so easily or quickly rebuilt. The design of the tim-ber formers homes to the ber Samural homes in the Nagamachi district, like those of other traditional structures in Kanazawa, was also dictated by the weather. Their steep roofs are covered in shiny tiles, glazed to reflect the winter sun's rays. The meagre heat generated slowly melts the snow, otherwise so heavy that it threatens even the strength of stout wooden roof supports. Long eaves and overhanging verandahs give protection from

the sun and rain.



ranched only hy narrow bridges across moats, which even nowadays remain waterfilled. The occasional glimpse of a satellite dish clamped to a wooden wall, or a coloured plastic bin seen through a gateway, suggest that these houses are still lived in.

The Eastern Pleasure Quarter in the Higashi district was set aside in 1820 by the Maeda government as an entertain-ment area for high-ranking citizens. The most talented andbeautiful of "free" geisha girls provided evenings of music, dancing, conversation and perhaps - other more intimate.

The lower class Western Pleasure Quarter was marked by heavy locked gates that ensured that enslaved geishas did not run away. The eastern area is distinguished by neat rows of geisha tea houses each with a slatted wooden facade and an oblong paper lamp shade over its entranceway. The entrance gates to the shade over its entranceway. oldest of the houses are Hising costs and a demand for

sleazier entertainment has reduced business, bot some of the old atmosphere can still be experienced along Higashi Main Street when, of an even-ing, the strains of shamisan playing, and the shrill tones of Japanese singing, can he heard. Shima, the fifth house down the street on the left going east, is an elegant former eisha house open for viewing

(at irregular times). Hosenji temple, reached up a long line of stone steps, is also in the Higashi district. It is worth a visit for the excellent view from the temple gardens of the city, the sea and sur-rounding mountains. Hosenji also houses a small gold statu-ette of Marishiten, one of the very few Buddhist gods of war. Lord Toshile of the Maeda Clan wore it on his helmet when going into battle, Nowadays, less impressively, politicians seeking re-election visit the temple to pay homage to it. The statuette itself is put on display only once every 38

Kanazawa, on the Japan Sea coast, is in part an old castle town, top lett, and partty a modern city, below, and has always been physically separated from the westernising influences of Tokyo to the east by the severity of its winter snows and by the jagged mountains of the Japan Alps. Kenrokuen, above, the private gardens of the 17th-century Maeda Clan, is one of the finest three parks in Japan

years. The next viewing year is 1994.

Rising behind the Pleasure Quarter and overlooking Kanazawa is the Utatsyma moun-tain. As in other areas of Japanese life, the spiritual and worldly live cheek by jowl: the mountainside is scattered with 40 individual Buddhist and Shinto temples and shrines. Some are still in use, others are in varying degrees of moss-covered decay.

An exploration of them along the quiet, spiral roads and wooden pathways of the mountain reveals a history of centuries of changing architec-tural styles, religious fashions and numerous old statues of heroes from every area of Japanese life. On the flat summit of Utatsyma is an artificial "natural" park with many different trees and shrubs and occasional patches of grass on which sitting is allowed - a rare freedom in Japanese

in Kanazawa I stayed at vari-

ous times at three different hotels. The Murataya was a chean Japanese inn run by three delightful old ladies. I had a room which served as a living space during the day. At night a futon and a quilt,

stored in a cupboard in the

room, were unrolled on the floor for sleeping on. There

bathing. It is a friendly place for those on a tight budget. I stayed one night at the Miyabo, which is very traditional and expensive. My room overlooked a beautiful garden, the tatami mats were edged with brocade, and the furniture was lacquered. Exquisite Japanese food was served in the room by one's personal maid. For a quintessential hut formal Japanese experience, a short stay is recommended. For the rest of the time I stayed at the Kamazawa Tokyu in the city centre, a first-class westernstyle hotel. The service was

good and the staff spoke

TRAVEL BUSINESS

Winter warmers

WINTER HOLIDAYS may seem a long way off but they are very much on the minds of Britain's package tour operators. This week and next they launch their winter holiday brochures. Their enthusiasm for selling

winter sunshine packages appears undaunted by the sharp decline in package holiday bookings for this summer. Bookings, according to the holiday companies, are expected to be some 10 per cent lower this summer than

Thomson Holidays, Britain's largest package tour operator for both summer and winter holidays, launched its winter programme this week with more than a million holidays on offer, slightly more than it sold last year. Charles Newbold, Thomson's

managing director, believes that the winter market "will be a lot more resilient than the summermarket this year." He points out that those taking winter holidays tend to be older and more affluent than the average holidaymaker restricted to

just a summer break. "Older consumers seem less affected by the rise in interest and mortgage rates and still have the disposable income for a winter break," be adds.

This winter holidaymakers are also likely to spend more, on average, than in previous years because of the popularity of long-haul destinations such as Florida (especially Walt Disney World in Orlanda with its latest addition, the Disney/MGM film

studios) and Egypt.

The main reason for the appearance of next winter's before the peak summer holiday season has taken place is mainly to attract those holidaymakers who want to book specific hotels and destinations at busy times (Christmas and Easter) as well as chalets and hotels for skling groops.

Even so, competition among travel agents for the business has already led to discounts being offered by some agents. Lunn Poly, for example, is offering £15 per person off winter holidays as well as deposits of only £20 per

"Our winter discounts are the biggest yet," says Paula Vennels, Lunn Poly's

marketing director. "But for large groups it is especially important to book early to ensure availability."

Those holidaymakers still awaiting large-scale discounts on this summer's unsold package holidays, however, will probably be disappointed this year. Unlike previous summers, the tour operators took the decision earlier this year to cut airline and hotel capacity, in expectation of the overall market decline by comparison with last year.

Not surprisingly, ooce they had initiated such cuts after the slow bookings in the first few mooths of the year, sales started to pick up. The trade may have cut back capacity by too moch," suggests Vic Fatah, managing director of Redwing Holidays, the third largest tour operator. Redwing's trade names include Sovereign, Enterprise, and Sunmed, and it is experiencing a sales surge of between 35 and 40 per ceot above last year's levels.

Travel agents report that many holidaymakers are surprised to discover that availability and discounts are in such short supply this summer, having expected them to be more widely available. Pickfords Travel says: "shops in every region are reporting stroog sales to the traditional Mediterranean resorts.

This bookings surge. however, appears restricted to late May and June with July and August – the peak months at highest prices – still largely unsold. Jodicious discounts on such high season holidays may, therefore, become available ocarer the time. But it remains very

moch a gamble. Less of a risk is the offer from Page & Moy, the tour operator and retailer owned by Barclays Bank, which operates a scheme through Barclaycard giving extra discounts on any of 48 major tour operators boliday programmes. In addition to any discounts offered by the operators themselves, Page & Moy will give a discount in the form of a cheque on the cost of the holiday. Rebates range from £20 oo a holiday costing under £449 to £400 on holidays costing £6,500 or

David Churchill

Should you let in the sunshine?

Stuart Marshall discusses the potential perils of car sunroofs

S II worth having a sunroof in your car if it increases the risk of head injury? And are the car makers aware of the potential danger posed hy hard areas in the roof? The questions were put to me by a R.L. Anderson, of Bromley, Kent. Ha must knew something about the results of heads contacting things

tougher than the average skull because he is a police officer.

Although he says he has no medical evidence to substantiate it, he makes this point. I firmly believe the roof lining must be smooth and that most sunroof frames provide unacceptably

dangerous structures in a critical area of the vehicle interior." Anderson has found that many sunroof frames have hard, sharp ridges close to, even touching the heads of drivers of his height (5ft 11ins). Some also have large, sharp handles which, in

with the competition:

Private buyers and company car-user-choosers demand them, although it has to be said that tall drivers are not always very keen. One lanky motorist who wrote to me, reckoned that a no-cost optional extra ought to be the elim-ination of the standard sunroof.

Back to my police officer reader, who says examples are not hard to find. He-cites the Nissan Bluebird and Volvo 700

of the Bluebird, which has a power-operated sunroof as standard, he says: "If I lean forward in a Bluebird against a seat belt, my head comes into contact

with a hard, impedded ridge.

"In minor accidents involving side,
rear or angled impacts, a seat belt cannot prevent one's head from getting a
hang. I would not feel safe in such a
vehicle, even in a low-speed shunt." his view, are potentially lethal.

Sunroofs have become very popular.

Car makers provide them as standard cars is the Volvo 700 series, which may

equipment to boost sales and keep up come as a shock to that safety obsessed

"The only large Volvo in the 700 series that has enough room for a front seat occupant over 5ft 11ins is tha chea-pest 740GL," he says. "That is because all the rest have sunroofs, which make them feel much more cramped."

They were no use to tall people, even with the seat adjusted down, although they were otherwise very spacious. The ridge of the sunroof was uncomfortable if contacted with the head, as might happen when the car hits a hump. Anderson concludes: "Although sun-

roofs are popular, I have never felt any great need to have a hole in the top of my car. Perhaps car makers are under-estimating the height of motorists - or the seriousness of head injury." Where do I stand in this? I am 6ft 2ins

and admit to liking sunroofs — especially the glass, power-operated kind.

Even when shut, they make the interior more cheerful on dull days. I am mystifled why some create less

speeds. I cannot remember being trou-bled by lack of clear headroom in either the Nissan Bluebird, which I drove for some months, or any of the posher Volvo 700s. But Anderson clearly has a point. In

some smaller cars I have been con-scious of height restriction caused by the sliding sunroof frame. Pop-out sunroofs take up less space, which is why Ford has chosen this kind for the new

It is possible for motorists who like both sliding sunroofs and ample beadroom to have their cake and eat it.

They should consider one of the growing number of taller cars available. The Mazda 121, Flat Uno, Honda Civic Shuttle, Nissan Prairie and Renault

turbulence when open than others and

are therefore more usable at normal

Espace come to mind. Hard areas in a car roof for whatever reason seem undesirable - but are many injuries caused? I am investigating and will return to the subject.



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HARDLY A week goes by without a new 4x4 car being introduced. This time it is Peugeot's turn. The 405 GLz4 (pictured above) is the first . of two distinctly different variants of this popular family-cum-company car to have four-wheel drive.

This is

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Both have full time 4x4 transmissions. Four-wheel drive is permaneutly engaged. with provision for the front. and rear wheels to revolve at different speeds (as when going round a corner) without putting extra stress on

transmission or tyres. The 405 GLx4, which will: be in British showrooms later this month, has a simpler 414 system than the very potent,

ower Milêx4, which arrives here in late autumn. The driver can lock the centre and rear differentials manually if more traction is needed, say, to restart on a

steep, icy hill.
The price will be announced in a few days. I expect the 405 GLxd to cost about the same as the comparable Vauxhall Cavaller 414 (£11,750) whereas

the Militar will probably be well over £18,000. The system fitted to the Milex4 is more advanced. Instead of manually locked differentials, it has a viscous coupling and Torsen (torque sensing) differentials. These autometically distribute power to the wheels which have the best grip without any intervention by the driver. Although both GLz4 and Mil6x4 have self-levelling rear suspension which can be jacked up to clear rough terrain, they are road going,

not on-off road, cars. Unlike Ford, which sensibly offers its V-6 engined Slerra estate with four-wheel drive, Peugeot appears to have no plans at present for a 4x4 version of the 405 estate.

In France, Citroen - like Peugeot a member of the PSA. Group - has already amnounced four-wheel driven BX estates, but has not yet decided if they are to be imported into Britain.

opportunity will be missed. For years Subaru has almost monopolised the niche market it pioneered for a road-going estate car that can take to muddy tracks and fields without getting stuck.

In fact, motorists with a serious need for four-wheel drive traction (as distinct from those who merely like to be seen driving a high-slung, knohbly tyred 4x4) are more likely to be in a Subaru than,

explained by the cheap bulk

offered a diesel car, whereas

supply they keep in their yards. Subaru has never

say, a Range Rover. Many Subarus are owned hy farmers, whose devotion to diesel vehicles is partly

the Citroen HX diesel estate is a market leader. A BX estate with four-wheel

drive, diesel (or turbo-diesel) power and its standard self-levelling suspension to increase ground clearance could push Subaru from the top of the heap it has occupied for so long. This is just a gut reaction

of mine, bolstered by talking to farming friends. So far, Citroen has not even decided to make a diesel BX 4x4, let alone bring one into Britain. But I think it should at least contemplate doing so seriously, and I am sure Subaru hopes it will not.

Crucial years in France

Anthony Curtis on an assessment of Paris before the Great War

HE FIRST decade and a half of this century was a formative one in France. Many political, social and artistic movement which came to fruition after the First World War began then. A host of new publications were founded during this period to join in the argument and fur-ther the attack with passionate commitment, newspapers such as L'Humanité and monthly periodicals like La Nouvelle Revue Française.

Vincent Cronin, who has already won numerous accolades for excellent books

on earlier periods of French history, Louis XIV, Louis and Antoinette, Napoleon, now turns his attention to these crucial years. In Paris, his vantage-point, a great deal was happening in government and foreign policy, philo-sophical speculation, science and the arts. Cronin has enviable understand-ing in all these areas but he has a hard task to make a coherent narrative or discernible pattern for the general reader whose needs he has in mind.

France was playing a complex game on the international chessboard, with a strategy master-minded hy the Foreign Minister Theophile Delcassé, aimed at strengthening its hold over Morocco and thwarting German desires for an appeal size of that cake. The mood was expansionist both politically and cultur-ally. Henri Bergson was adumhrating a new view of consciousness and memory in his lectures at the Collège de France, while Pierre and Eve Curie, working in a shed at the back of the Ecole de Physique, were succeeding in isolating a substance they called radium.

A young member of the French consular service in the Far East, Paul Claudel, was engaged in writing plays and odes on Catholic themes and at the same time was involved in a passionate love-affair with a woman known to history as R. who hore him a child. His friend André Gide, who also wrote plays, had made a strange mariage blanc with his cousin Madeleine while almost simultaneously discovering the delights of making love to Arah boys.

Gide and Claudel were to engage in a lengthy correspondence about the nature of right conduct and moral authority which would ultimately end their friendship and help to ploneer our own sexual revolution. A neurotic doctor's son who had listened attentively PARIS ON THE EVE: 1900-1914 by Vincent Cronin Collins £18.00, 484 pages

to Bergson and who suffered terribly from asthma, and who was a terrific snob, one Marcel Proust, had begun to set down some fragments on the plea-

set down some fragments on the pleasures of remembering past time.

A young piano-teacher and composer who had been to Bayreuth hut was now living with his tubercular wife in bohemian Paris, one Clande-Achille Debussy, had at long last managed to crack the hureaucracy of the Paris Opéra and get them to agree to stage a work he had made out of the famous Belgian playwright Maeterlinck's drama, Pelleas et Mélisande.

A Spanish art teacher's son from Barceiona, Pablo Ruiz, had arrived in Paris at the beginning of the century and

at the beginning of the century and adopted his mother's name of Picasso. He had done some paintings of a sentimentally pious nature, one of which, Last Things, depicting a woman on her deathbed being comforted hy a priest was chosen as the Spanish contribution to the Paris Exhibition. He now turned his attention to the acrobats and clowns of the Medrano Circus.

Picasso also became acquainted with tha work of Cezanne, Lautrec, and the school of artists known as the Nabis and he met dealers who had gallery space at their disposal. Berthe Weill and Ambrose Vollard.

It will be clear that Cronin does not suffer from any lack of material. He is like a man in an orchard on a summer afternoon where all the fruit is ripe and waiting to be plucked. The problem is twofold: which trees to strip and what if any conclusion is to be drawn at the end of the afternoon's picking. When or what was the end of all this experimenting? It is true that in the historical correct the outbreek of war did mean a sense the outhreak of war did mean a termination of a kind, a new era; hut many of the movements and individual careers Cronin singles out, and of which he ably traces the origins, were not terminated or even arrested by the war. They grew and hlossomed all through and after the war.

Of course there were some untimely deaths, casualties of the war, like that of the novelist Alain-Fournier, but Clau-



del survived to write Le Soulier de Satin, Gide to write Les Faux Monnayeurs, Cocteau to write La Machine Infer-nale. It seems a shade perverse to deal so perceptively with these writers while omitting any consideration of their

Still, within his chosen limits Cronin is an informative, often a penetrating guide. He is particularly strong on the Catholic Right and does full justice to figures like Péguy and Barrès whose work is not widely known outside France. He concentrates on Rostand in the street and the introduction resonances. theatre and the patriotic resonances in his plays. He has only one line for the sardonic inventor of the comédie rosse, Henry Becque, but he has some good words to say for the farces of Feydean and the social realist plays of Brieux.

Although fully aware that many Frenchmen during his period main-tained mistresses in addition to wives,

Cronin has a somewhat high-minded view of French society as a whole; by concentrating so much on the great and the good he misses out slightly on the cynical majority. I would have wel-comed in this respect some attention paid to the work of a popular society novelist like Gyp.

The book does though end with a bang, three bangs really. One is the bang made by Mma Henriette Caillaux, wife of the Radical Socialist politician whe of the Radical Socialist politician Joseph Calllaux, when she took out her revolver and shot dead the editor of Le Figaro, Gaston Calmette, who had mounted a virulent campaign against her husband in the paper. The second bang was from the mad nationalist who assassinated the socialist founder of L'Humanité and politician, Jean Jaurès, Like Calllaux Jaurès tried to promote Like Caillaux Jaurès tried to promote better understanding with Germany. The third bang was at Sarajevo.

Fiction Mighty midget

A PRAYER FOR OWEN by John Irving

nsbury £12.95, 543 pages

FORCES OF NATURE by Nicholas Salaman The Alison Press Secker & Warburg £10.95, 183 pages

TANGO by Alan Judd Hutchinson £11.95, 290 pages

SUCH VISITORS by Angela Huth Heinemann £10.95, 199 pages

PERSONALITY, eyasight, attitude, philosophy, social awareness: which of these makes a writar create an unmistakable fictional world? ministakable fictional world?
Style it isn't, however recognisable it may be: that's the expression of the rest, not in itself the creator. Two of the week's novels turn up worlds which are totally individual; two, though talented, don't.

John Irving's world is unmistakable, not through idioxyn.

John Irving's world is unmis-takable not through idiosyn-crasy (though his characters are admittedly odd), hnt through, I think his own per-sonality, which is stamped on every phrase. Anyone who remembers the unforgettable Hotel New Hampshire will recognise the mixture of humour, sweetness, weirdne an underlying strong morality, and a remarkable intricacy of plot, time and action

A Prayer for Owen Meany is very long, but not too long for what it has to say: in other words, never tedious. The plot is complex, with some myster-ies never quite solved; dreams, second sight, and religious belief and experience play a part in it. Owen Meany is a tiny, brilliant creature, in childhood a midget who can play Baby Jesus in the Christmas pageant and as an adult barely five feet tall. His best friend, John Wheelwright, tells the tale, which involves a whole New Hampshire commu-

nity. But the action is not what



too creates a total world. though a much smaller one. The viewpoint is that of a 16 year-old English public school-boy, as callow, mnocent and absurd as you would expect to find him in those years. Sent for a rainy fortnight to

boarding house in the Lake District with an unknown French boy and The Prelude by Wordsworth to study for his exams, Freddie, though desperate, doesn't rebel and as the holiday advances things happen to make it bearable, then

interesting.
Sex. Freddie's overwhelming preoccupation, is encountered here, there and pretty well everywhere; excitement and even danger are found in the lake's possible monster a war-time mystery demands lage nious detection; the initially spiralling From Bartrand snivelling Frog, Bertrand, turns out a lot more promising than he originally promised; and Freddie does much as Wordsworth did in the French Percentage.

Forces of Nature has a

atmosphere and flavour, its layers of memory and history, the dialogue, the exchanges between fine friends, the whole sense of American small town life: this is what matters, irving's world, inner and outer, personal and large, present and historical. One is aware of riches, above all of a personality, and of a spiritual as well as a literal language and landscape.

Forces of Nature is also about two boys in the 1950s, ancient history by now, and it never quite persuades one of the process of the

never quite persuades one of what's happening. Britbooks is the trendy new name for what has long been the English Bookshop in a South American capital, where William is sent from England and the country's President turns out to be a old schoolmate – upper class South Americans often being sent to English public schools. And William falls in love, madly and tenderly, with the President's mistress to whom, in the end, terribla things hap

The aim seems to be to mit the sad and the funny, the rueful and the ironic; it is a civilised effort, readable, likeable, even moving; but the mixture never quite carries conviction and South America is made to seem a land of stereotypes.

Angela Huth's 13 stories in Such Visitors are all set in domestic situations and, in a broad sense, are to do with sex and love. A conventional mother on a French holiday leaves her sightseeing family and thinks, mistakenly, she has found adventure. An even more conventional mother attends her daughter's wed-ding with hatred in her heart for her new son-in-law. A husband learns to dance and to please his wife and, as ever, ends by not leaving her. Two girls run a race for the man they both love. A lover brings in a piece of furniture to test his girlfriend's taste and snitability. Though literate and observant; the stories aren't memorable because they con-jure only the social scene, not a total world or an inner real-

Isabel Quigley

Tough ride to the footlights

Rachel Billington looks at a book dedicated to foster mums

GRACE AND FAVOUR by Jane Lapotaire Macmillan £12.95, 320 pages

JANE LAPOTAIRE had two mothers and neither of them were at all straightforward. Her "first mother", in the new American term, had very little to do with her hetween the ages of seven months and 12, and thereafter was remote from her behind a barrier of French lover/husband, preco-cious younger daughter called Lola, and a marked affection for whisky - which leaves out her other lovers - all this taking place in Libya.

Such goings-on were no sur-prise to Jane's foster mother. "Mummy Grace". In an earlier generation she he had also fos-tered the girl who hecame Madame Lapotaire and had seen her come to no good with the Americans in the war. She always refused to acknowledge who Jane's unknown father might have heen. "Clark Leigh" or "Lee Clark" is the nearest she ever came to giv-

ing an opinion.

It was this woman, Grace
Elizabeth Chisnall, who provided Jane's real hringing up and it is to her the book is dedicated and "to foster mothers everywhere".

"E.M. FORSTER, portly hut myopic, howed to the cake at Lord Harewood's wedding reception, thinking it was Queen Mary." Homage to royalty takes many forms, including collections of anecdotes. But Elizabeth Longford's clear-sighted Oxford Book of Royal Anecdotes knows exactly how to behave.

Longford firmly links Alfred to Elizabeth through a chain of monarchs; hut perhaps claims too much when she writes in her introduction: "Royal anecdotes form part of an immense narrative history." Anecdotes can certainly carry historical truths, but they must also have point and pith. So she compro-mises elegantly: "The anecdote should hang like an amulet from the arm of the greater event". The anecdote is, as Dr Johnson has it, "something yet unpublished; secret history". This book delivers few of those. Instead, it relies on

Anecdotes, royal or not, tend to live s life apart. For example, on hearing Herbert Morrison described as his own worst enemy, Ernest Bevin quipped,

Ms Lapotaire now an excel-Ms Lapotaire now an excel-lent, often surprising actress, tells the story through the child's own eyes. The reader learns as she learned, the turn-ing of "Mummy Grace" into "Gran" as she began to feel the 55-year age gap, the odd but comforting relationship between her and the previous foster children, the develop-ment of a clever grammar ment of a clever grammar school child in an environment where the small matters of survival, shopping, cleaning, picking up the pension are momen-tously difficult. Without sentiment, she faces

her frustration with this unchangeable background as teenage independence and holi-days with her Freuch family teach her to battle for what she wants. Very few writers dare to usa vernacular. "At's no good keep puttin' it off; she'll think thas me keeping you from writing", so "Mummy Grace" magnanimously tries to persuade her to write to her real mother.
M. Lapotaire, "Papa" to

M. Lapotaire, "Papa" to Jane, talks a spicy form of Frenchman's English, particularly on the subject of her natural mother. "She is full of shit. She tell you more lies, huh? Like the lies she tell you about your father." The child's eve view instead of parrowing eye view instead of narrowing the focus, adds a painful and



Jane Lapotaire

wicked sharpness to our per-ception, a keyhole look into an adult's world which was pecu-

Not as peculiar as all that, however. One of the startling aspects of this book is the date in which it is set. Working-class life in the 1950s common throughout the

north of England, now reads as if it comes from another cen-tury. Jane Lapotaire's gift for recalling peopla, places and events with a filmic immedi-acy, and of recalling mostly revolting tastes and smells, makes this a documentary record as well as a witty per-sonal memoir.

A right royal haul of gossip THE OXFORD BOOK OF

"not while I'm alive he ain't": this has been stretched to refer to Dalton, Cripps, Bevan and Crossman. Politicians trade ownership of anecdotes because they live hy what they say to and of each other; hut not royals.

Longford cites these two inanities of George V's: he says of J.M.W. Turner, "I tell you what, Turner was msd. My grandmother always said so": and of authors. "People who write books ought to be shut up." Royal it may be, but cer-tainly not anecdotal. We find," Longford admits.

"that humour and wit have developed alongside everything else". Nonetheless, some remarks amuse because of the exactness of hindsight: for example, George IV mistook the news of Napoleon's death for Queen Caroline's, and when

ROYAL ANECDOTES edited by Elizabeth Longford Oxford £15.00, 546 pages

a courtier pronounced "Sir, your greatest enemy is dead". George replied "Is she hy God?" The collection struggles with the royal platitudes and hlandnesses that have amassed over the centuries. Given the recalcitrance of her material, Longford manages admirahly, explaining the context of each entry in clear, concise and witty prose. The book is a work of selection and synthesis. She draws on contemporary diarists, on modern hlog-raphers and also quotes freely from letters and court records. Longford's previous research

on Victoria fits in well, and the book excels in its haul from book excels in its haul from the 19th century. It covers an enormous range within each monarch, from George IV spending £20 per week on medicinal unctions, to Thack-eray's memorable "Bnt this George, what was he? I look, through all his life, and recog-nise but a bow and a grin." She quotes Victoria at her most contentions: when Dr Loocek contentious: when Dr Locock delivered the first child with "Oh, Madam, it is a Princess", she replied, "Never mind, the next will be a prince"; and when a décolletée grand-daugh-ter appeared hefore dinner, Victoria urged, "A little rose in front, dear child, because of the footman" the footmen."

Perhaps anecdotes satisfy best when they have the thrill of healthy conspiracy about them: "Gladstone treats the Queen like a public dapart-ment", said Disraeli, "I treat her like a woman." This entry successfully responds to Long-ford's initial concern on our behalf: "In the end we want to know what it was and is like to

Andrew St George

THE ARREST of Nick Daniloff Moscow correspondent of US
News and World Report on
August 30 1966, was the most
famous of the periodic spy
scandals which were the backdrop to the resumption of
detente between Moscow and
Washington during the second Washington during the second Reagan administration.

The facts behind his arrest are simple enough. Gennadi Zakharov, a Soviet without diplomatic immunity, was arrested and charged with espionage in New York in the run-up to the second Gorba-chev-Reagan summit. Moscow, evidently thinking the arrest had been timed as a test of strength, retaliated by arrest-ing Daniloff and accusing him of being a spy. A month later he and Zakharov were in effect exchanged and Gorbachev and Reagan arranged to meet in

Reykjavik.

Daniloff's account of his arrest, detention and interrogation in Lefortovo prison is interesting though most details are already known because his family knew that his best chance of getting out of prison was to give maximum publicity to everything which happened to him. The tactics were all the more effective because by 1986 Gorbachev and the polithuro had hecome extraordinarily sensitive to their image in the

This gives, in retrospect, an element of opera bouffe to the whole episods — though under-

THIS WELL written,

recent years were too good to

leave out). One of David Pryce-Jones's

favourite themes is the domi-nance in Arab thinking of the concepts of shame and honour-

Applying these to the career of.

RICHARD COLLIER has

written a gripping, almost racy tale of the war correspondents

of the Second World War. Any

journalist today, surrounded by a bank of telephones, VDU screen, and fax machines, will

be amused by the stories of cleft sticks, pigeons, and other primitive methods of "filing",

that is, sending stories back to the newspaper or radio station. Richard Collier is very good

at capturing the romance; the sense of fun, and the camara-

derie which developed between

correspondents under pressure.

He evokes all this while never

losing the narrative thread of

the war and the logistics of

tively different from normal

reporting. War is catalystic of

society, events are speeded up and lurch off in all kinds of

Writing about war is qualita-

covering its many fronts.

Courtesy of the KGB

TWO LIVES, ONE

by Nicholas Daniloff -The Bodley Head £12.95, 306 pages

standably enough this was not apparent to Daniloff at the time. For instance his interrogation was interrupted hy phone calls to and from his wife and at one moment his interrogator demanded that he get US television to stop besieging the prison.
Indeed the title of the book is

something of a misnomer.-Daniloff has interwoven his account of his month in prison with his researches into the fate of his great-great grandfa-ther Alexander Frolov who, as a young officer, was implicated in a conspiracy to overthrow the Tsar in 1825. Together with other survivors he was given a sentence of 20 years hard

labour in Siberia.

The point which comes across most vividly is not the parallels but the differences between Daniloff's fate and that of his ancestor. Frolov kept himself same in an isola-tion cell by unravelling wool from his socks and then using

.. "I would knit ando knit and undo, and so my thoughts gradually became happier." Later, in Siberia, Frolov worked in chains 10 hours a day in a road gang shovelling

Daniloff, by contrast, was treated much more gingerly by the KGB. Given the Kremlin's commitment to better relations with Washington the pro-longed detention of an American journalist was never in their interests, though, not sur-prisingly, such longterm con-siderations were little comfort to Daniloff in his cell in Leforto Daulloff in his cell in Lefortovo. He was also extremely
nervous that a package from a
Russian priest, evidently an
agent provocateur, which he
had passed on to the American
embassy, could be used as evidence that he had acted as a
spy. CIA officers had hithely
used Daniloff's nama on the
phone and in a letter to the
potential spy.

potential spy.
In an afterword Daniloff concludes: "I was the victim not only of KGB banditry but of hlunders in Washington as well." He also admits to a cer-



Nicholas Danilof

tain naivety in his dealings with the CIA, KGB and Soviet with the CIA, KGB and Soviet contacts. He should, for instance, probably have stood on his right to silence and not answered questions from the KGB. He should not have had anything to do with photographs of Soviet military operations in Afghanistan given him by a Soviet friend. But all this is easier said in retrospect. If a journalist is retrospect. If a journalist is going to learn anything in Moscow or anywhere else he

to informants who may turn out to be agents provocateurs. Patrick Cockburn

has to make himself available

Shame and honour

extensively documented book, The Closed Circle an Interpre-tation of the Arabs, is curiously Anwar Sadat, for instance, he argues that Sadat's overture to peace with Israel in 1977 was made possible by the redempdisappointing. Far too long for an "interpretation", it is far too selective for a history. It could be described as a caricature of Arab society and politics (or of Islamic society and politics since the Iranian antics of tion of Egypt's military honour in the war of 1973.
This is a more than plausible

insight, but is unaccompanied by any discussion of why and when Sadat decided to seek peace with Israel. Nor is any explanation offered of how on earth tha Egyptians, as described by Pryce-Jones, suc-ceeded in driving Israeli forces

THE CLOSED CIRCLE: AN INTERPRETATION OF THE ARABS by David Pryce-Jones

Weidenfeld & Nicolson £16.95.

from their fortified positions on the Suez Canal. There are hints, here and there throughout the book, of a root and branch condemnation of British policy in the Middle

East after 1945. Arab nationalism is described as "that bogey with which the British so alarmed themselves". "Even senior ranks in the Foreign Office simply lost heart and so surrendered whole populations to a despotism which they would never have tolerated for

themselves".

One trouble with this view is that, had the British attempted to stay longer "the defenceless Arab masses" would have been in the vanguard of resistance to that purpose.

Harold Beelev

Words of war

THE WARCOS by Richard Collier Weidenfeld & Nicolson £12.95, 234 pages - ...

unforeseen directions. There is little time for reflection or considered thought, judgments have to be made on the hoof. The correspondent lives on the edge with perceptions heightened by inputs of adrenalin and fear, punctuated by periods of idleness and boredom.

Collier does not really establish that there is a special hreed of person attracted to this kind of work. The Second World War correspondents were by and large the same

crowd who covered the Span-ish Civil War, and the rise to power of the Nazis in Germany. As journalists they had certain characteristics in common, an unfortunate tendency to drink too much (some of them) plus, usually, a chaotic personal life of divorces and separations. What Collier does establish, however, is that the really good correspondent could condition the way events were perceived by the public at

The two entstanding correspondents of the war in his view were Richard Dimbleby of the BBC and Alan Moorehead for the Daily Express. Dimbieby, constantly quarrelling with his masters in London,

strove to be objective as he thrashed around in the sensitive border area where censorship, patriotism, and the desire to tell the truth, all meet. In doing so he virtually changed the ground rules under which the staid BBC covered the conflict.

Moorehead was different. His personal view gave a picture which volumes of dry analysis could never match. One thinks of his classic accounts of the or ms crassic accounts or the over-run italian positions in North Africa. His descriptive detail about the opulent lifestyle, and elahorately set out hunkers, underlined Italy's weakness in not recognising that the war in the desert was unlike war at sea. Fixed positions were meaningless, almost an invitation to defeat

Stewart Dalby

It takes all sorts to make The Season

Christian Tyler views the social changes that have taken place in a great English institution

HE WAS about 17, with a cheeky face. Dressed in T-shirt, jeans and trainers, she stood rooted to the spot in the middle of Badminton Park. She was gazing in frank admiration at a robust elderly man in tweed backing jacket and bowler hat mounted on a huge, sideways, mancing hunter. As the horse came to rest she looked this imposing gentleman straight in the sys, epened her pretty mouth and said. Alright:

It takes all sorts to make the It takes all sorts to make the English Season. A popular institution — in both senses of the word these days — the Season is no longer easy to define. It is like one of those clever architectural conservation jobs the façade has been casefully preserved but the insides have been hollowed out and a big modern extension has been hig modern extension has been thrown up at the back. What used to be a fine gentleman's residence has been subtly con-verted into big commercial

There was a time when the Sesson had a beginning and an end, and a clear-cut cast of characters. Under the direction. characters. Under the mection of the royal family, it was performed by the English upper classes, their englicised Scottish cousins and a few newcomers admitted for their enormous wealth or exotic foreign

The Season was not just a

Highlights of the 1989 Season

Aug 23) 22 Polo at Windsor (until

22 Polo at Windsor (until
June 11)
23 Chelses Flower Show
(until May 25)
26 Horse triate at Whideor
(until May 25)
31 Fourth of Jane at Elon

JUNE
1 - Britten Masters golf (until
June 4)
7 Epsom Derby

7 Epsom Derby 10 Eton and Harrow cricket match, Lord's Royal Academy summer exhibition (entil August) Frooping the Colour Royal Aacot (until Jure

Cricket: England vs. Australia at Lord's (until June 26) Wimbledon Tennis

Championship (until July 28 Hentey Royal Regatta (until July 2)

social whirl in which the Right Sort of People met in the Very Best Houses. For behind the ballroom curtains lurked a serious biological imperative. Virgin daughters, chaperoned by their hawk-eyed mothers, had to meet and marry men who would neither disgrace the family lineage nor squander the family silver. Horse racing

20 Open Golf Championship, Troon (until July 23) Queen Charlotte's Ball (anniversary special) 21 Sir Henry Wood Promenade concerts (until Sept 16) Polo at Windsor 25 Goodwood races (until

July 29) 29 Cowes Week AUGUST. 10. The Oban Ball 13 Edinburgh Festival (until

Sept_2)

SEPTEMBER Braemar Highland Games
Braemar Highland Games
The Skye Ball (two days)
Burghley Horse Trials
(until Sept. 10)
Last Night of the Proms
The Perth Ball

OCTOBER Prix de L'Arc de Triomphe, Longchamp

and other equine jousts, dancing, tea parties, art exhibitions and nights at the opera merely provided diverting camouflage for the serious business of preserving the class and its

At least, that is how one imagines the past. To get a spiff of the modern English season (part of which, of



on: but where were the debs and their languid City escorts?

The gumbouts proved redundant. The park at Radminton in the West Country, where the Dukes of Beamfort have staged

and their Aunt Dahlias, the country gents and the huntin'

By the "ailver birches" jump, it is true, I found a Range Rover draped with slender, self-conscious Carolines like a float in a carnival parade. At "the coffin" a Swedish photographer pointed out to me, leaning on another Range Rover, a pipe-smoking figure in blue denim which he claimed was the Duke of Beaufort himself. the Duke of Beaufort himself. Below the "ski jump" (more like a walkover) strode a red-faced Henry in regulation tweed jacket, pale yellow corduroye, club tie and brown trilby. He was barking from the affects of too many preprandial gins. From time to time segions faced little girls

their lives. But for the rest, it was the sort of classless crowd you can see on any sunny Bank Holiday weekend. They packed round the cross-country fences in that way the British have secretly hoping for a spectacu-lar spill but full of concern for horse and rider when the inevitable nosedive occurred. They milled around the trade stands offering everything from low-alcohol heer to old-fashioned rocking horses costing more than the real thing. A caravan selling hotdogs faced one selling jawellery from Asprey'e. There was a tent selling Bar-bours — but who doesn't own a Barbour dr cheap replica nowa-

never even left the car park. Too hot to walk the course, too tipsy to read the programme, they lay beside their picnic hampers and dozed the afternoon away. The loudspeakers blared warnings about dogs dying of heatstroke in cars.

course, takes place in Scot-land), I disinterred my green wallies from under the stairs and bought a black bow-tie in Cheapside (ready made and signed "P.Cardin") for 211.95.

the famous horse trials for 40 years, was as dry as a bone under a blazing eky. There must have been a quarter of a million people there for the million people there for the cross-country event, sunbathing by the lake, picnicking under the trees, or pushing baby buggles from fence to fence as if following a championship golf tournament.

But where were the debutantes and their languid City escorts, the Bertie Woosters and their Aunt Dahlias, the

time, serious-faced little girls from the Pony Club trotted by, their persons and mounts ed to within an mch of

> Glyndebourne may be glitzier, Ascot more aristocratic, but for those who know, the hazy, lazy days around the first weekend of July focus by rights on a small stretch of the Thames that will remain forever England. And this year more so than ever, for 1989 brings the 150th anniversary of the Henley Royal Regatta, a sporting occasion when the occasion means more than the

But eurely the dogs, those unerring badges of social sta-tus, were all out on display. There were black Labradors,

brown Labradors, golden retrievers and ornamental spaniels from London and the Cotswolds; red setters, collies, terriers and Old English Sheep-dogs from the aspiring snburbs; and mutts and mongrels from all over the place. They might just as well call it the Badminton Dog Trials.

My black bow-tie proved somewhat redundant as well. I took it last week to the Rose Ball, a charity dance at the Grosvenor House Hotel in Park Lane which is supposed to mark the start of the indoor

Season. We black ties were just in the majority; but I saw red epotted bow-ties. black-and-white striped bowties, old school bow-ties, and even no-ties.

The women, too, flaunted their disregard for traditional garb. For every strapless ball gown there was a flasby offset: a gipsy dress pulled up in front, flamenco fashion; a leopard-skin stretch skirt from the Pigalle; a metal foll spacesuit; an early Stuart court dress; mini-skirts and picnic frocks.

Among the round-shouldered English girls (why do they walk as if carrying a pail of oats in each hand?) were what

heiresses, American millionairesses, Indonesian princesses. But the only celebrity as such thet I recognised was Margaret, Duchess of Argyll, making her appearance the day after a judge declared her a woman without stain in The Case of the Moroccan Chambermaid.

It was jolly in its way but, apart from the clothes, utterly conventional. I cannot imagine anyone going to the Rose Ball for fun. The dinner was very plain, the wine very expensive, the band very old, the tables very crowded, the raffles interminable and the announcer as noisy as a Butlins redcoat. And I have seen better ballrooms in

Bradford. The head security man, bouncer to the geotry, told me there was never any trouble at the Rose Ball. I believe him.

The Season may bave become overcrowded and over-commercialised, declassé and under-dressed. It may have lost its original purpose. But you can't beat England in early summer when the sun is shining; and the Season still pro-vides what it has always provided - an excuse to watch people watching people watch people. As the music-hall mas-ter of ceremonies likes to say, the stars of this particular show are ... principally your-

Messing about in boaters

Every such event has its basic rules; the two most rect dress for gentlemen (blazer, preferably striped, white flannels) and, for women, wafting. To waft, donning the perfect summer frock and floating dreamily down the riverbank as if transported on air currents, is a vital part of

Henley, together with English rose complexions, well-turned ankles and delicate beads of perspiration on the upper lip.
Ideally, the scene should be viewed through sepia-tinted

spectacles, with a soundtrack of beee, popping corks, the clopping of oars in water and the scratching of quill pens as vicars write letters to *The* The sporting side of Henley is refreshingly simple. Even

posh people can understand it.
Two boats race each other, side
by side. The first home is the
winner. The boats with eight
arsumen are called "cights." those with four are called "fours," and so on. Occasionally a crew falls in and are called lots of other things, but this tends to be a special treat. One should not stray too far from the Pimms tent waiting for it to happen. It is on dry land that Henley

becomes rather more complex. There are various enclosuree that one is — or is not— allowed into, Stewards' Enclosure tops the lot, reserved for ex-rowing types, many obvi-ously past their boating days and very, very rich. Here you will find the finest lunch tents and the best-dressed Pimms. Leander Club's members stand out in their pink socks and ties. It is also frightfully posh, and has the benefit of an inner cadre of very, very large young men who are actually serious

More accessible in every way the Regatta Enclosure, which is open to the public for

Andrew Anderson on how to get the best out of Henley Regatta

a reasonable sum, with all the things necessary to one's survival (Pimms, strawberries, cream). If you have a rowing friend you could get an invita-tion to one of the smaller private enclosures (Remenham is a good one); if not, there is always the towpath, although the crowds can be cruel.

Right at the bottom of the pile comee the corporate "entertaining" tents on the town side of the river: full of appalling middle-managers bank, and a from obscure road haulage your blazer.

firms and the like, who know nothing of rowing, and little more about anything else.

The more ostentatious bring or hire a cruiser and ply up and down outside the racing lanes, waving sandwiches and uttering little cries of encour-agement, like keening seaguils. The lucky few get to ride in the umpire's sleek launches.

It is wise to both book and arrive early for Henley, in

order to get a parking space. More fun, but dreadfully slow, is the little train to Henley station. Picuic space is at a premium; the pubs, especially those around the bridge, are packed, and the town itself often struggles to cope with the throoging masses, particu-larly during weekend firework

displays.

Those who know do Henley during the week, leaving the weekend to the day trippers and horrid drunken youtbs from the provinces who prac-tice synchronised drowning under the bridge. If you do go - and you really should take lots of mineral water and your own strawberries, park far away and walk in aloog the bank, and never, ever, undo

CHESS PLAYERS have become accustomed to the emergence gies who have rapidly achieved master or grandmaster strength. It was different in the early years of the century when Reshevsky, who toured Europe giving simultaneous displays at age 8, and Capa-blanca, who defeated the No. 1 man of his native Cuba at 12, were accorded wunderkind sta-

In modern times we have seen Fischer, Spassky and Kas-perov all attain GM standard in their mid-teens. British chess fans were astonished and intrigued when Short played in the national championship final at age 11, but reacted more coolly to the emergence of Adams and Sadler. It is really only the Polgars who can now amaze; a family of three sisters who have bridged what looked like an enormous gap between the standards of the best male and female play-

While teenage talent has become commonplace, there has also been an age revolu-tion with much less publicity, at the senior end. Emanuel at the senior end. Emandel Lasker's third prize at Moscow 1935 in his mid-sixties used to be regarded as the pinnacle of chess longevity, but that was a single tournament and by 1936 at Nottingham, Lasker's last serious event, his strength had diminished.

What we have seen in the tion, the group who were young GMs in the war years or in the early 1950s, have maintained their skills not just for occasional tournaments but with admirable consistency. Their leader is Smyslov who reached the candidates semi-finals in 1984 at 63 and has

already in 1969 made respectable scores at Hastings and the New York Open. But there is also Reshevsky, who continues as an active competitor several years after two bad heart years after two bad heart attacks; Najdorf who in his late 70s entertains the press room at world title matches with his imaginative suggestions; and Korchnoi whose career really took off when he defected from the USEP at the con of 45.

the USSR at the age of 45 What are the secrets of such durability? Simply maintaining the patterns of earlier years seems to help Reshevsky has a narrow opening reperteire, Smyslov tries to judge positions intuitively, by his principles of chessboard harmony, rather than tire himself by excessive calculation. Korchnoi

is an exception, still perfection-ist and inventive.

First prizes in major tourna-ments are the ultimate test for the veterans. Ewfin Geller, six times a world title candidate and at his peak the scourge of the champions, has a lifetime pins score against each of Smyslov, Petrosian, Botvinnik and Fischer.

and Fischer.

In his sixties, Geller sticks to his trusted opening repertoire like the King's Indian and Sicilian with Black and the Ruy Lopez or 3 N-Q2 against the French with White. At Dorthund a few weeks aga at Dortumed a few weeks ago at age 64 he won a strong international tournament, ahead of several GMs and IMs young enough to be his grandchildren. In this week's game he repeated a knight sacrifice which he had used in a similar position in the 1955 interzonal. When Black missed the best defence (15...R-KN1!) White's elegant manoeuvres forced decisive material gain.

White: E. Geller (USSR).

Black: S. Kindermann (West

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PROBLEM No. 773

White mates in two moves.

This week's problem is the first stage of the annual Lloyds Bank British Solving Champi-

onship, in which anyone can

BLACK (9 men) take in board

WHITE (6 men)

against any defence.

French Defence (Dortmund

1989). 1 P.K4, P.K3; 2 P.Q4, P.Q4; 3 N.Q2, P.QB4; 4 KPxP, QxP; 5 KNB3, PxP; 6 B.B4, Q-Q3; 7 O-O, N-KB3; 8 N-N3, N-B3; 9

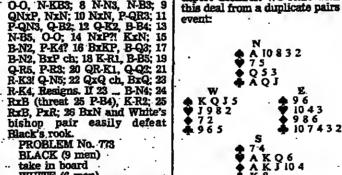
To enter, simply solve the problem and send White's first move in any recognised nota-tion to Lloyds Bank Chess, 78 Lambscroft Avenue, Mot-tingham, London SE9 4PB, to arrive by July 10. Mark your solution Financial Times.

on the first state of the state overall winner receives £150, automatic selection to repre sent Britain at the 1990 World solving championship, and also the prestige of deposing grand-master Jonathan Mestel who has won for the last four years.

Leonard Barden

Bridge

IN CASE any of my readers are not *out fuit* with the workings of squeeze play, we shall dis-cuss two squeeze hands, and listen in to the thoughts of the expert declarer. We start with this deal from a duplicate pairs



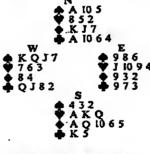
South dealt with East-West vulnerable and opened the bidding with one diamond. North replied with one spade, and South rebid three no trumps. Giving his partner 19 to 20 points, North raised to six no trumps, and all passed. South started with the king of spades. Before playing to the first trick, the declarer thought on these lines: "I have 12 top tricks, so I will beat all those who have bid six diamonds. Can I make an overtrick, and beat or tie with others who

have bid six no trumps? There is one possibility - a spadeheart squeeze.
"If West holds queen, knave of spades, which is likely from his lead, in addition to four hearts, he will find himself under pressure which he cannot withten the cannot with t not withstand. After I win with dummy's ace of spades, and cash five rounds of diamonds and two of clubs, West will be left with the queen of spades and four hearts, headed by a card higher than my six. Dummy will hold 10 and another spade, two hearts, and the ace of clubs, while I hold a

spade and my four hearts.
"On dummy'e club ace I throw my spade, and wait for West to resign. If he throws his spade queen, dummy's 10, on which I throw my heart six, makes, and I claim the rest, if West throws a heart, my hearts

And that is just how South

We turn to rubber bridge:



At game all South dealt and opened with one diamond, North said two clubs, and the opener rebid two hearts, a tem-porising bid which showed a strong hand of some 16 high card points. North jumped to four diamonds, South said four no trumps, and after the response of five hearts went six no trumps.

West led the king of spades, and this is how South

reasoned: "I have 11 tricks on top, and the only possibility for the 12th is a spade-club squeeze with West as the vic-tim. If West holds queen, knave of spades, inferred from the lead, he can be squeezed, if he also holds queen and knave of clubs (or any five clubs). There is, bowever, one snag. have 11 winners - the rule of N minus 1 is not satisfied. I must lose one trick early to rectify the count. Where better

than at the first trick?"

The declarer allowed the spade king to hold, took the queen with dummy's ace, cashed the three hearts and four of his diamonds. In the four-card ending West beld spade knave, and queen, knave, eight of clubs. South's last diamond turned the screw, forcing West to throw his spade, or unguard his clubs. Dummy, who held the 10 of spades and ace, 10, six of clubs, let go his spade when West threw a club, and South made three clubs for contract.

There is no difficulty in operating a squeeze - all you have to do is to see the possibility, and plan carefully.

E.P.C.Cotter

Appointment to view **COUNTRY LIFE**



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Garden lovers from all around the country will be heading for the Chelsea Flower Show which is due to open in London next week.

Robin Lane Fox and Arthur Hellyer take a look behind the scenes and take their pick of the exhibits

Still in tune with an old viola

HAT DO 1 expect to get from Chel-sea, except sore feet and a Freud-ian bout of peony-envy? I think a new conservatory, a piping milkmaid in reconstituted stone or a frilly umbrella under which to have drinks in the rain. I am hoping for some expert advice, one wide-angled view of the Main Tent without too many people and the room to note down those varieties of Alstroemeria which turned up three years ego under the name of Princess Lilies and some of which are now proven to be hardier than others.

I also plan to snoop around the market for plant-boxes and tubs. At Chelsea, the garden extras sectioo is expanding yearly while some of the exhibits in the Tent bave retreated in scale. However, remember to look for one of my favourites, Mr Cawthorne and his hardy violas, which are never shown in the Tent because he believes that the plants do not

He tends to turn up outdoors just before the gardeo tractors and just after the cedarwood greenhouses have done their work. His violas are the plants which have done most to improve my gardening life in the last 10 years. It was at a Chelsea show that I first woke up to the Cawthorne crusade to hring hack the best of the old violas; if only another crusader could turn up this year, showing something so emi-

nently worth conserving. also need a protecting knight, or perhaps an expert

S INDICATED in a

previous article, 1988

was a good year in Bordeaux - and so it

was elsewhere in France. Con-sequently a number of British wine merchants will shortly be

making "opening offers" of 1988 clarets, and later on of red

to imply that the wines are

hrought for a capital gain, like items on the commodity mar-

ket. The Americans have gen-

erally been out of the "en pri-meur" market since the 1985

vintage hut there is said to be

'88s. If they rush into the mar-

who are huying early in hope of drinking later at attractive

prices. However, British mer-

oecuianon initiai

burgundies and Rhones. The Americans call such offers "futures," which seems military doctor. Something has gone oddly wrong with a main-stay in my new garden's plan, eight white-flowered Viburnum Carlcephalum which were intended to grow into neatly-pruned semi-standard by the

Gardening



mid 1990s. One of them is flowering absurdly well, two of the others are flowering modestly, much less than last year, while the other five have six huds hetween them, never on the tips of the main stems.

Their other huds turned hrown before they opened or dropped off in the soft green stage. Some of the secondary leaves have started to wrinkle, hut no pests are visible: a soaking with Tumblehug has made no difference. The crisis might be purely local but a visiting expert has alarmed me hy remarking that she too has had the same problem and suspects that it arises from the fact that

Vihurnums are also grafted nowadays in order to speed up their saleability.

True enough, my eight have the tell-take knot of a graft on their lower stem, just abova soil level, which is worth checking for stability before you hand over 58 in a gardencentre. Unlike my visitor, my Viburnums have not gone soft at their vital point. She even claims that little white grubs came scuttling out of the stem when she scratched its soft point. I have been pressing, not scratching, and trying to put the image out of my head. The score, so far, is one red ant in a hurry, probably from a nearby bardy cyclamen. But if this Viburnum trouble really is frequent, someone at Chelses must know what becomes of it. Is it a virus, bad grafting, an insect or an unadmitted hazard to one of the loveliest shrubs for gardens which cannot grow

My need to snoop round the plant-boxes arises from an old plant-boxes arises from an old mistake. About 10 years ago, it was easy to huy a white Ver-sailles tuh with little bohbles on it or a sawn-off barrel in which you could grow straw-berries. It was harder to huy an honest box which had not been treated with golden dip, like a strip of cedar fencing. It was very hard to buy one big enough to hold a camellia or that excellent tub-plant, Mag-nolia Stellata. Rather than huy one, we decided to make one, because it would be cheaper. Admittedly, the wood arrived in a block which would

Birmincham's City Parks Department is attempting to win its 11th gold medal at the Chelsea Flower Show to mark the city's centenary. The design is based on a Victorian park and the centreplece is a scaled-down replica of a Victorian bandstand surrounded by heds and pathways. More than 2,000 plants will be used, including poinsettias, nicotianas, impatiens and zinnias grown at the Department's Cofton Nursery

the carpeoter who carved it into slats left rather quickly for Cornwall with his brown envelope of fivers. It was not, however, my fault that the box's sides began to warp with age: we now have a very civic sort of container, leaking at each side and hulging in the middle, even though nobody has beaten it up in order to pass the time of day. It badly needs a replacement and Chelsea outside the Tent is the best place to view the market. There onght to he a plain wooden box somewhere with-

out frills or gloss paint. Unless those little white gruhs really are on the increase, it is bound to be a week of crowds, dreams and nightmares. It is quite hard for gardeners to keep their self-respect when confronted with perfect roses, but then, the rest

of us do not grow them in poly-thene tunnels. I am, however, counting on one family to reassure me that It is better at

home than at Chelsea. Nobody, I think, is staging a full display of the old perennial wallflowers; which richly deserve a crusader. By next weekend, they will be my reas-surance after the show: they-are still at their best in their double crimsons, purples, and curious combinations of grey, manve and lime-yellow. There is much more on the market than good old Bowles Mauve and most of it flowers for months, enjoying the most awful soil. Best of all, it multiplies from cuttings and has a truly distinguished scent. Perhaps the Cheiranthus family is

higher, although the wines are still in cask.

More recently opening offers have spread to Burgundy and the Rhone as well as Sauternes, since a number of chateaux - though not Yquem or Climens - were induced to offer their '90e on reimour with the their '83s en primeur, with the result that prices doubled very quickly. As the '88s are likely to turn out exceptional, similar

offers are likely for them, as they were for the 88s. Very early red burgundy offers have been less widespread though not uncommon for the fine '85s. The '88s are very good too, and although their prices shot up at the Hospices de Beaune eale last

their new levels ever since,

demand has been very high. A merchant told me in Beaune that every day he was refusing orders for burgundy. Once the claret offers are out of the way 86 burgundy offers are more than likely here. Those who can afford the Cotes d'Or reds should take them up to some axtent. The same applies to red Rhones, particu-larly finer northern wines such as Hermitage Cote-Rotie and

The '88 white burgundies are mora variable hecause there was a good deal of over-produc-tion, especially in Pulisny. But good white burgundy is always in short supply, though the 88s oeed to be bought from traditional wine merchants with a

cated for the '88 clarets. There are sound reasons for buying at least a representative selection of every new good vintage when first offered here — and as stated here initially '89 was a good one - for then one will receive the wine more or less direct from the chatean or Bordeaux merchant's cellars in pristine condition, or later from a British merchant's cus-

tomers' reserve cellars.

This cannot be assured for

Innovations are just the ticket

HERE ARE many innovations in next weak's Che Isaa Flower Show. For the first time those who have purchased tickets for the charity preview, in aid of Help the Aged, will be able to see the show on Monday evening, immediately after the judging when averything is at its freshest.

The two following days are reserved for members of the Royal Horticultural Society. Only on Thursday and Friday is the show open to the public. The number of tickets issued for each day is limited to prevent overcrowding hut information about availability can be obtained on 01-828-1744, with a credit card booking facility

on 0272-217107.

There has also been a major development in the disposition of the exhibits in the central section of the great marquee, which has been designed in the manner of the great European flower shows. This should improve the first impression of the show for those who enter the marquee from the Chelsea Embankment end.

There has also been an unprecedented demand for space, with many new exhibitors seeking entry and some old onas returning after an absence of some years. Among the latter is Suttons Seeds, which is staging two fine seed novelties raised by the Nor-folk-based plant breeders Flor-anova. One is a bedding geranium so much freer flowering and more branching than any of the old types that a new name has been given to it. Floribunda. The particular variety that Suttons are introducing is called Sensation and gives a range of colours from cherry red and scarlet to light pink. The other novelty is Poppy Summer Breeze, which could be described as a shorterstemmed, earlier-flowering ice-land poppy, ideal for garden display and suitable for grow-

ing as an annual. Among the newcomers is Peper Harow Community, a home for emotionally disturbed children established in a Geor-Surrey. Its management holds sleepers to give stability to the the civilized view that a beautic garden and make steps from ful environment is strongly one level to another and then

Horvath was one of the casualties of National Socialism.

conducive to mental peace and, in their gardener Tim Miles, they have found someone who wholeheartedly concurs. As a result Peper Harow now has some of the finest sub-tropical bedding-ont in Britain plus a superlatively good kitchen garden complete with a pergola supporting every available variety of kiwi fruit.

All this reflects the increasing recognition of the value of long-flowaring plants in the modern garden. Many of these are now available in segmented plastic packs which offer the customer better quality, more safely transplanted products at a competitive in the segment of the customer better quality, more safely transplanted products at a competitive in the segment of the safely transplanted products at a competitive in the safely contains the safely transplanted products at a competitive in the safely contains the safely contains the safely transplanted products at a competitive in the safely contains the safely contains

products at a competitive price. Colegrave Seeds are demonstrating this at Chelsea with a great maypole adorned with the latest varieties of impatiens and with containers filled with petunias, begonias

filled with petunias, begonias and geraniums.

British Bedding Plant Association is making five small gardens to emphasise the versatility of these long season yet readily replaceable plants and the popular Window Box and Hanging Basket Competition has this year attracted 86 entries, half of which will be displayed from Monday to Wednesday and the other half on Thursday and Friday.

The most sensational new plants on display are the Col-

plants on display are the Col-umna apple trees which are the result of 25 years breeding and selection and are now available to the public for the first time. Plant breeders dis-covered that this distinctive covered that this districtive habit could be transferred to other varieties with different flower and fruit qualities. Four varieties are now being distribvariaties are now being used to retail nurseries and garden centres by Ballerina Trees and these will all be on display at Chelsea. It is difficult to imagine a garden too small to accommodate one or two of these remarkable trees - and there are more varieties

Another way to pack considerable variety into a small space is to use rock plants. The Alpine Garden Society is demonstrating how this can be done effectively, yet economi-cally, hy using old railway growing most of the plants in blocks of natural lightweight tufa rock and also in troughs constructed with manmada hyper-tufa.

A mountain stream is central to the garden mada hy landscape students at Merrist Wood Agricultural College, the main sim being to create an atmosphere of tranquility. Wild

white clover is being used here as an alternative to grass. Landscape students at Per-shaw College have chosen romance as their theme and are hasy constructing what they describe as a secret court-yard in a dark and shadowy place. The gate is half open, while the sound of flowing water and rainhow shaded planting tempts the visitor to enter and discover the magical statuary, a dark pool, a hedged gazebo and a plantsman's para-dise. If they can match deeds to words this should be a gar-

to words this should be a garden to remember. It is sponsored by Wyevale Nurseries.
I look forward with special
anticipation to the exhibit of
tropical and sub-tropical plants
by Anmor Exotics. This firm
owes its inspiration to Barrie
Findon, who has been growing
exotics since he was a lad. He
staged his first Chelsea exhibit
in 1995, worn a seld medal for it in 1985, won a gold medal for it and has repeated that success every succeeding year. I know he is straining every nerve to do it again and the plants I have seen in the nursery at Havant convinced me that he

can do it with ease.

Many of Britain's public parks are again preparing imaginative displays, not least Torbay, which has given so much delight in recent years with extravaganzas created with carpet bedding. This year's scena has been taken from Alice in Wonderland. There is an excellent entry from overseas including exhib-its from Trimdad and Tobago, Barbados, South Africa, British Columbia, Holland, Belgium, France, Germany and both Jer-sey and Guernsey. The gates of the Royal Hospi-

tal grounds at Chalsea are open from 8 am to 8 pm on Tuesday May 23, Wednesday 24 and Thursday 25, and from 8 am to 5 pm on Friday 26.

A. B.

Wine

have challenged a sculptor and

Time to speculate on the reds of '88

penalised from the start. Moreover, when a bottle purchased at, say £5, is sold years later at £50 or more, unless the patient owner of the same wine is a dedicated wine drinker considerable US interest in the (with several equally dedicated, appreciative friends), he or she is not unlikely to declare: "I couldn't possibly prices are likely to rise, with unfortunate results for those open a hottle worth that much," Such a statement probahly overlooks the effects of

chants' offers will be based on initial prices.

At the higher classed-growth claret levels some damage has been done in the past by speculation. Not unreasonably chateau owners, who have seen their wines auctioned years later for greatly more than their original prices, are now inclined to secure some of the additional value for them-

ARGE TO CUT?

Fine claret has always been the subject of speculation, but more within the Bordeaux trade than among the public. At one time when the vintage prospects were good the mer-chants there indulged in buy-ing "sur souches" ("on the roots," ie on the vine). Thus the merchant could either expect to make an extra profit when he came to sell the wine

A major advance in quality lawnmowing powerful, quiet, fast, this super machine runs rings around other garder tractors and collects grass tool

This finished at the begin-ning of the 1960s, notably with the '61s, which from midsummer were clearly going to be very good. One popular classed-growth owner sold a considerable quantity of his as yet unmade wine. Unfortuly for fille the crop turned out the smallest good vintage since the last war and he found that he had sold more than he was able to produce. Neverthes, the story was that after meeting his commitment there was still 20 tonneaux (1200

dozen) left in his cellars. Public rather than trade speculation began at the end of the 1960s, when the classedgrowths and many other wines could be bought en primeur by the case rather than from the cask. Also at that time hedges against inflation were heing sought in all directions, even ipe for loss, as the market in old champagne, an acquired taste, is very small indeed. Prices of the '70, '71 and awful '72 clarets rose to



unprecedented heights, only to fall heavily, partly owing to the 1973 energy crisis. It was the Bordeaux chateaux owners and merchants who suffered most, and some at least of the consumers who had not bought en primeur who benefited from the fallen prices.

It is sometimes suggested that the widely-trumpeted suc-cess of the '82 claret vintage started a new wave of "opening offers." What it did, however, was to bring the volatile US wine world into the act in a near-hysterical manner, greatly infinancing prices, which rose sharply within months of their opening. How-ever, a few British merchants had heen offering good vin-tages on these terms since the '75s, although on a much smaller scale than in the 80s.

Since 1986 there has been a good deal of distilusion about claret opening offers, particu-larly after the collapse of the US dollar in that year. Prices of the top '82s are lower now at auction than in 1985, with some of them re-crossing the Atlantic for re-sale in Europe. Figures have been produced to ehow how much better the money might have been invested elsewhere, which no doubt is true, and also that young vintages could have been hought more cheaply

This argument concentrates very much on the internationally-known 250 or fewer top estate clarets, for the less expensive minor growths that occupy a good 50 per cent of most firms' opening offers are unlikely to be found here again after the initial purchases, because the merchants have a new vintage or other wines on which to spend their slender

It is interesting to note that the '87s, which were declared by wine merchants and many wine writers unsuitable for early buying, and which were offered here by a handful of firms, have now become the subject of much more favourahle comment as being recommendable for early drinking as they always were. Yet their prices are not lower, some are

OTHEBY'S did not have much luck with its sale of continental manuscripts on Thursday. Its most important item, a hith-erto unknown manuscript of Turgeniev's Fathers and Sons, the hetter, more expensive Crozes-Hermitage. was sold privately before the ment, while the second most interesting lot, the archive of Odon von Horvath, failed to find a buyer.

name of Horvath was practi-cally forgotten. Today his good reputation for them.

The position is more complirediscovery and revaluation is such that the leading German playwright Peter Handke can call him "better than Brecht"; and it is a judgment that has many supporters. Though he is less well known in this country. than in Germany and Austria, than in Germany and Austra, both Tales from the Vienna Woods (directed at the National Theatre in 1977 by Maximillian Schell) and Don Juan Comes back from the Warhave been seen in Christopher Hampton's English adaptations.

wines bought later or at auction, and a merchant's prices are likely to increase to take account of tied-up capital, which is not involved for en primeur offers for which he is acting as little more than a

Yat there is no point in buy-ing the '88s with the prospect of making a profit out of them, for they are very tannic and will take a long time to mature. Nevertheless reputable chateaux at various levels of quality and price make reliable wines, and there is a certain satisfaction in knowing that soon one will have below stairs at least a case or two of wines one believes to be sound, not hostages to financial fortune hut vinous hopes for tha

Collecting. Manuscripts miss out

adventure of his life in the French capital. The nervous Horvath took every precaution.
He refused to use liffs and
Metro trains, and spent the day
of May 31 shut up in his hotel.
On June 1, however, he had
an appointment with the director Robert Stoumak to discuss
a film version of his best selling novel, Youth without God.
In the Champs Elysee, sheltering under a tree from a sudden This was surprising given the importance of the manuscript. Fifteen years ago the ing under a tree from a sudden storm, he was hit on the head

by a falling branch and killed instantly. He was buried in Paris: hut last year, to mark the 50th anniversary of his death, his remains were trans-ferred to Austria. Since his rediscovery in the early 70s, Horvath has found a much larger audience in Ger-many and Austria than he ever had in his lifetime: some of his

plays, have been produced for

Horvath called his plays Volkstucke, or folk plays; but where his 18th century prede-

cessors in the genre told their moral tales in dialect, Horvath used the cliché-ridden language of the day to pinpoint the spiritual poverty of the petty bourgeoisie characters who peopled his plays. His comedy is caustic and satirical, attacking the folly, stupidity, deception and oppression of society, but without the systematic political purpose of Brecht.

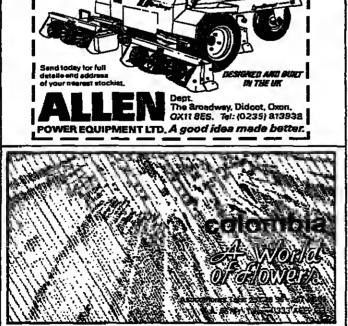
The archive which came on sale consisted of some 6,000 pages of manuscript and type-script, along with books, photoscript, along with books, photographs, family papers and memorabilia. It included drafts for all but four of Horvath's major works. This unique archive appears to have been dedicatedly kept together by a member or members of his family it even includes family. It even includes his school reports, his fountain pen and drawings done when he was only nine years old.

Janet Marsh





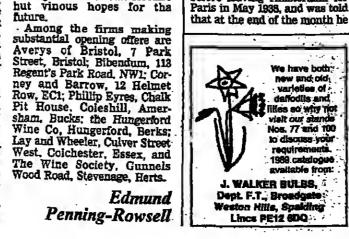






PHOSTROGEN

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well-heeled Americans, has

special niche in Harrods. Its soft yet sturdy leather, its

made its mark with a new generation of working British women since it has had its own

HOW TO SPEND IT



CONRAD AND Tricia Jameson, of Jameson Design, hotographed in the drawing-room of their London house. They are great protagonists of the Classical Revival believing that it brings very practical benefits to the home decorator — see their ideas brought to life at the exhibition. They also believe that it is time that the interior decorating world put its house in order by letting clients see the real charges instead of hiding them in sales

Their theory is this: prices ay seem reasonable because the quoted price is a 10 per cent fee but there is, on average, a 20 per cent trade discount that the decorator

quietly pockets.

Big items, such as curtains. carry not only a fee but a margin of 100 per cent — which is why top-quality curtains these days run at about £2,000 a pair. The higher the cost of the materials used the higher the hidden fee earned by the Most decorators do not earn

enormous fees, most care greatly about getting the job right and most are honest. But because the cost is hidd lecorators do have a clear motive to lead the client to highly-priced materials. Th Conrads believe a simple reform would make the services of designers and decorators much more appealing to professional

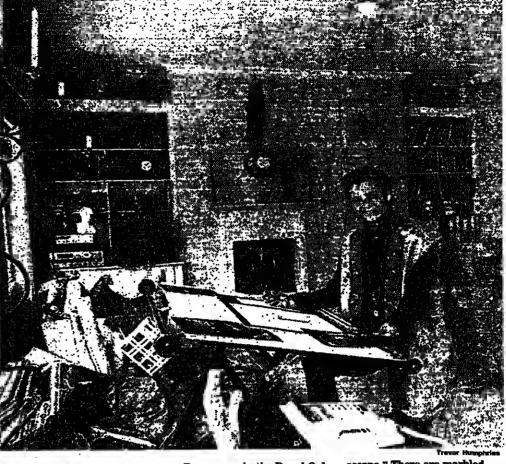
people:

Decorators should charge only a fee.

All discounts should be passed back.

The percentage fee should

be turned into a flat fee once a budget has been agreed so there can be motive to get the



HRLEN COOPER photographed in her workroom, is one of a new band of younger decorators, she is the romantic pa excellence. Above all she believes in atmosphere and is fascinated by the magic of spaces. She often starts thinking about a room by linking it with an imaginary

CHRISTOPHER NEVILE is

another of the younger

Atterbury, author of The Interior Design Yearbook

1989, thinks that in many

ways it represents the most appealing, innovative vein

For a room in the Royal Oak Showhouse, in New York, which the client later bought lock, stock and barrel, she imagined that it was for Anna Karenina. For the British Interior Design Exhibition she has decorated a reading room which she describes as being "an excerpt from endless eras and places, evoking a lost timelessness and a dilettante

escape." There are marbled floors and an ancient stucco effect on the ceilings and walls done by Francesca di Blasi, who learned the technique in Venice. "In emerald green it looks like crushed velvet." She imported silk taffeta from Venice made on 300-year-old looms: "Though very contemporary in some ways it also looks timeless."

gentle, unaggressive shapes, its clean lines and unassuming classicism have all made its handbags the natural choice for those who want bags that need no pampering. So successful has the Coach launch heen that last week t embarked on its very own shop at 8 Sloane Street, London SW1. There the afficionado (and the average Coach customer in the US owns, it seems, something like six pieces) can see the full range in the traditional Coach

shop setting – dark wood, Portland stone and hushed "library" atmosphere. Since the handbags themselves were launched there is now a range of silk scarves, all in a very classic mood, likely to look good slung around the shoulders of the Coech-toting customer.

SKETCHLEY, in common with most dry cleaning operations, has had a slightly chequered history in the public's affections but it is trying hard now to make it all up. The customer is being wooed with seductive promises. Sketchley Exeuctive, the latest one, is aimed at what it calls the successful husiness person (unsuccessful ones will just have to go elsewhere) who has high standards and hectic schedules. Three pilot branches (16 Curzon Street from May 5; 14 Suffolk House, College Road, Croydon from May 22; and 80 Moorgate. London EC4 from the end of the month) will have opening hours that really will make a difference to working people. Sketchley Executive will open from 7.30 am to 7.30 pm, Monday to Friday. There will be a free collection and delivery service for large or regular orders in the London area and Executive Check-in, which enables you, once

LATEST WAY to nourish the skin – caviar extracts. It may sound a trifle exotic, and the price is certainly exotic (£59 for 30 ml) but when Hydra Swiss With Caviar Extracts from the Swiss La Prairie skincare range in the States last year It broke all records for La Prairie sales. The tiny shimmering capsules contain blends of caviar extracts, "vital substances" and emollients. Being no blocbemist I can't fathom the science but it feels wonderful. With the dark cobalt olue pot come little bits of fabric. You place a spatula-tip of the globules into the middle of the fahric, fold it up and press them together before smoothing on face and neck. This may all sound a bit fancy

the same it does feel different.

*The British Interior Design

you've got the system sussed to dump your unsavoury little bundle and run.

but I have to report that thought my face looks much

The pearl-like grains seem to nourish without being heavy or greasy. Now £59 may seem a great deal for a pot of caviar extracts but Georgette Mosbacher, La Prairie's new owner, has a point when she says: "Life offers many luxuries. Since we cannot have them all, the trick is to choose those with the greatest return think on investment . . . like beautiful skin." You can find the grains at Harrods, Harvey Nicbols, Selfridges, Fenwick, Bentalls and many other good beauty salons, perfumeries

LvdP

Where to find a cure for pot-pourri poisoning

The British Interior Design Exhibition opens next week. Lucia van der Post recommends a visit nised against dangerous or dif-

overdosed on chintz?

Will you break into a rash if you see another swag, artfully faded needlenoint mehianing. raged needlepoint cusmon or a rage of the cusmon or a rage of the cusmon or a rage of the cusmon of the rage of the cusmon of th Exhibition*, which opens next whose time has come. Using a week, and you will be able to decorator to do what most peo-

For a start there is a Frenchzabeth Garouste, whose work for Parisian conturier Christian Lacroix's salon earned tian Lacroix's salon earned them the appellation "The New Barbarians." Their style, it seems, is best described as neo-primitive. It is, according to the press release, "with not unlike a surrealist painting by Dali."

If wit touched with surrealist painting by Dali."

ism doesn't seem quite you then maybe you'd feel happier with some Louis XVI influences. Or how about a room with a strong Colonial style emphasis? Or a classic look in a stripped, post-modernist style with some elements of intrigue and fantasy? Perhaps Post-Baroque seems more truly you or and here you'd be onto a winner for this style is tipped for BiG things ... what about Classical Revival, all heautifully proportioned rooms, cornices and architraves?

On a more serious note The British Interior Design Exhibi-tion is a fine affair. The brainchild of Fleur Rossdale, who

RE YOU suffering believes passionately that if from pot-pourti pot only more people understood soning, have you properly what interior designers could do for them they would earn the respect and business they deserve. Tha exhibition is now in its second

discover the burgedning of a ple left in their gut they should whole hast of other decorative be able to do for themselves "isms" to choose from. -glish - something only the Mattia Bonetti and Kli-truly rich or the eccentric indulged in. All that has changed. Ten years ago there were just a few hundred interior decorators while today there are some 10,000 compa-mes all earning professional fees from interior design and decorating. Fuelled by the boom in property prices, doing up houses is now the great

Houses have become most people's greatest capital asset and a properly renovated house is a fine investment after all developers expect to make at least 20 per cent after doing over an unmodernised property (even after interest is taken into account) so, according to Conrad Jameson, of Jameson Design, one of the exhibitors, even the layman should be able to improve the value of his house by 12 per cent over the cost. Even more importantly perhaps, a house that works is infinitely more agreeable to live in.

Using professional skills and services to put your house in



order these days makes sense in all sorts of other ways. What most amateurs never cost out properly, for one thing, is their time. Professionals who have dealt with all these matters before know how to save time, where to find the exact piece of marhle, the precise shade of wood, the right craftsman, the skilled upholsterer and so on and on.

As Fleur Rossdale puts it, "a working woman who has to be in her office most of the day in her office most of the day cannot sit in for hours on end waiting for plumbers, electricians, painters, tilers etc:
professional designers will take care of all this for you. If anything isn't right; you hava some comeback — they will put it right. People also forget the many mistakes most amateurs make and how expensive they are to put right. In the long run the right designer long run the right designer should save you money by get-ting it right first time round, by knowing how to do things properly and hy running all the time-consuming administrative side for you.

Some people fear that by using a decorator they are somehow ceding their sover-eignty over matters of taste, that they will be "taken over." Good decorators do not do this. As David Hicks once wrote: "Good design must work for the people who will use it. The best rooms have something to say about the people who live in them. Their story can be told in colour, shape, texture

The problem, though, if you have never used a decorator before is where to begin. How do you choose the right designer for you? Start by going to this exhibition. It is, for a start, a wonderful a piece of theatre, theatre that reflects the way we live now. There couldn't be a more convenient way of seeing a wide variety of contemporary work. If you see somebody whose work you love don't be afraid to talk to

To get the best out of your interior decorator you need to put in quite a lot of effort yourself. Do your homework. Look at the work of designers you

hear about. Do not contemplate asking anybody to do this kind of work by telephone you must meet them personally. Ask what their fees are and how they are arrived at. ABOVE ALL get budgets

bat the work is going to cost is likely to be the higgest headache of all. Myths ahout costings ahound. Some decorators charge a percentage of the total cost of all the work, and then also take percentages on the cost of fabrics, sofas etc, leaving the hapless client with the feeling that it is in the designer's interests to suggest hugely expensive fabrics, sofas, floorings. Some charge flat consultancy fees, some charge hourly rates. So ask first and get it all written down and

agreed before you go ahead.
When it comes to using an interior decorator I'm with Conrad Jameson when he suggests using a firm that offers architectural and interior decorating services together. Do not get carried away with col-our schemes, with paints and finishes, carpets and curtains until you have put the bones of the house to rights. "Bones" rather than what Conrad Jame son calls the "lipstick" is what all good decorators come back

He believes passionately that the hest way to approach restoring or revitalising a



Printed with your chosen name, these book labels make ideal gifts for all ages. Send s.a.c. for free catalogue of designs. — Usherwood Designs — Dept. FT, 5 Summerhill Terrace Newcastle upon Tyne NE4 6EB

pointed when it looks terrible. They should spend their money first on putting in a proper window, possibly restor-ing shutters and then they designers whose work will be on show at the exhibition. Here he is photographed at last year's show in the study set that he built. Paul would hardly need curtains Being classical doesn't mean you have to be dull. If the principles are respected, you can have a lot of fun. They were quite often very theatrical, for instance they would surround marbled panels with walnut now, if a non-classicist got hold of that it would look terrible, but in the hands of somebody appearing, unlovative vein in British design today. It could best be described as Grand Palazzo style yet it is indubitably entirely contemporary. Marbling, stone effects and wonderfully who knows what they are doing it can look wonderful." Writing about exhibitions

grained double doors set a before they open is a tricky business but from talking to the designers, from reading mood of some grandeur all much enhanced by the inlaid linoleum floor. To achieve his effects he called on the work view of the show, it is abundantly clear that this year, as of a number of contemporary designer-craftsmen, such as last. English countryhonse Jenny Moncur for the flooring, style is going to sweep the welded metal by Mark Brazier-Jones and painted silk panels by Carolyn Quartermaine. This year, in board. Last year modernism kept a very low profile and though it is a little higher this, it still doesn't look high conjunction with Elle enough to stop the endless Decoration, Osborne & Little and McKinnsey Ridstone he

Whatever, the visitor to the

Paul Atterbury sums up the

will be showing just what exhibition may well ask, hap-pened to a contemporary look? drama and panache can be injected into a small We seem to be a generation nassageway. that is obsessed with the decorative legacles of the past. Whereas once this kind of hishouse is by obeying its architecture. "The dnty of the deco-rator is to enhance and express torically allusive decorative the classical frame of the archistyle was the prerogative of a small minority of taste makers today it is being taken up by tecture, not just to put pretty paint on the wall. In classical larger sections of the populaarchitecture much less colour is used as you don't want to tion. High Street furnishing distract the eye from the rhythms of the building. The key test for us is that if you go into a classical room it should look beautiful and harmonious shops everywhere encourage the taste for a largey fictionalised English Country House

dilemma facing the decorators when he says: "On the one hand husiness is booming as without any furniture in it. If you are short of funds you are much wiser to spend never before and design is now an eminently marketable conmoney on putting back the mouldings, the cornices, on rebalancing the room – then whatever you add later will always look right. I have so often seen people dress up a flat window with acres of frilly contains and then he disapsumer commodity. On the other, originality is becoming rare . . . and the results some times as exciting as a Macdonald's hamhurger . . . clean, neat, predictable, safely immucurtains and then be disap-

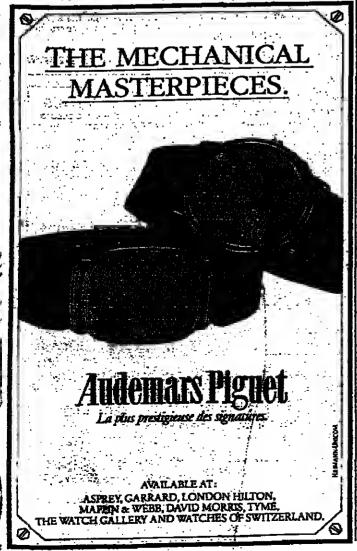
ficult elements and internationally reliable. There can be no doubt that with an ever wider dissemination of the English Country

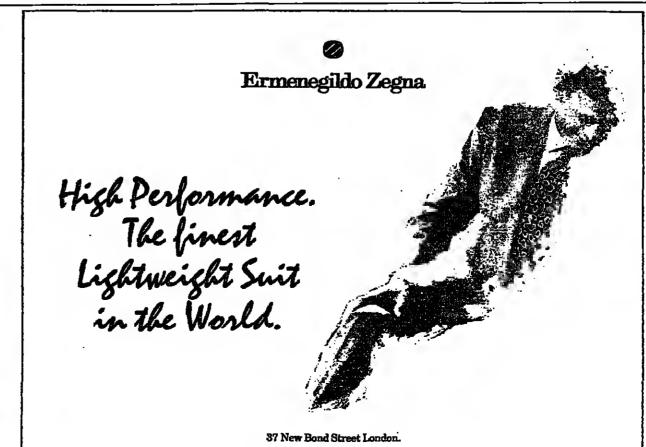
House look it will rapidly begin to loose its cachet and as the supplies of good antique furnishings, pictures and other decorative objects gradually run dry we shall bave to look to the designer-makers of new things. Now we should go out and do as our ancestors did, go out and commission the best that we can afford from contemporary craftsmen. It can be informed by a love and knowledge of the past but it should be wholly of today.".

Paul Atterbury believes that the 1989 Exhibition may bring to a head the debate about the nature of interior design in Britain. "Does an outpouring of chintzy, pseudo-late-eighteenth-century, Regency and early Victorian interiors represent a crisis of confidence, or is the willingness to drift along on the tide of nostalgia simply a sensible acknowledgement of market forces? Can creativity survive when the pale echoes of the country house style bave been spread thinly over every suburban terrace in the land? Go along to the exhibition and find out.

*The Interior Design Book, 1983, by Paul Atterbury, £17.95, published by Weidenfeld & Nicholson, not only provides o fine visual guide to current inte-rior design fads and fashions, it also has on excellent practical directory of the end, lists of providers and purveyors of the tiles, the fabrics, the woodwork, the bathrooms, the kitchens and all the rest of the bits and pieces that onybody contemplating "doing-up" o house will find invaluable.

Exhibition is on from Thursday 25th May to Sunday 18th June at the Chelsea Old Town Hall, King's Rood, London SW3.





Records

Messiaen's dramatic power to disturb

IX YEARS after the pre-mière at the Paris Opéra of Messiaen's Saint François d'Assise there comes from the French firm of Cybelia (UK distribu-tors Priory Records. 24 Verney Close, Tring, Herts) a live recording on 4 CDs made by Radio France from subsequent performances on December 6 and 9, 1983. There is just enough extraneous noise (sbufflings, page-turning like the heating of Messiaenic hirdwings and, quite often, the prompter) to give a sense of occasion without heing dis-tracting. Considering the num-ber of performers involved and the evidently unusual disposi-tion of the Opera orcbestra the balance is commendable. One can only echo Max Loppert's praise in his review on this page for the masterly assurance of the conductor, Seiji

No less assured is the admirable José Van Dam in the title-role. His voice meets with unruffled but no means unin-volved serenity the demands of Messiaen's long phrases and usually unremittingly slow, march-like pacing. Only once – at the opening of the Stigmata scene - does he sound momentarily tired and there the situation justifies it. At

moments of quiet intensity his singing is extremely moving. As the Angel, the single female solo voice in the opera, Christiane Eda-Pierre sings like a shaft of steady light. Kenneth Riegel's Leper is uncommonly, almost uncomfortably telling. The various Franciscan Brothers (Michel Philippe, Georges Gautier, Michel Senechal – whose roles have a touch of humour) and by Jean-Philippe Courtis (Bernard) whose gravely beautiful tone will surely earn him the chief role one day soon offer fine singing. It may be partly due to the positioning of the Opera's strong chorus that the words in the crucial Stigmata scene do not come through. The orchestra is sometimes too much in the foreground but the kaleidoscopic sounds, bris-tling with spiky and percussive bird-song (no escaping feath-ered friends with this story) and the husbed interventions of the Ondes Martenot are dazHaving heard come broad-casts in a state of shall we say suspended enlightenment, the French text in the leaflet was an immense help. Though they add up to almost four hours of music the eight scenes, played at one's leisure, do not feel unduly long. There is a surpris-ing amount of musical illustra-tion ranging from pettering rain to the horrifying hammerblows of the stigmatisation. Often one wonders about the stage action - what, in the frequent instrumental passage hetween the widely-spaced vocal phrases, were they

In his review Max Loppert wondered about the possible unsuitability of Messiaen's

Messiaen: Saint François d'Assise. Eda-Pierre, Van Dam, Riegel/ Orchestra and chorus of Paris Opera/Ozawa. Cybelia CY 833/4/5/6/ (4 CDs). Massenet: Amadis. Perraguin,

Streiff, Henry/ Orchestra and chorus of Paris Opéra/Fournil-lier. Forlane UCD 16578/79 (2 CDs).

"own great and special gifts" to opera - and of the stage-worthiness of this, his only stage work. There is little enough sign of the inborn theatre sense possessed by many French opera composers. Yet after experiencing records and text I do not see how one can deny to Messiaen the title of musical dramatist. The epi-sodes of the Leper, of the Ser-moo to the Birds, and most of all of the deeply disturbing Stigmata scene surely prove that. The opportunity of get-ting to know, in peace and quiet and at one's own pace, one of the most unusual and original operas of our time, is not to be missed.

Massenet's Amadis is a curi-osity - and a charmer. He began it about 1890, just before Werther, but did not finish until 1910. By this time the last of his favourite singers, the contralto Lucy Arhell, was holding sway and the breeches role of Amadis was tailored for her. But Arbell, a difficult and presumptuous lady, fell from grace. Massenet had the score sealed up and directed that it was not to be opened for ten years after his death. When Amadis was finally performed at Monte Carlo in 1922 (without Arhell) it was too late. The Belle Epoque to which it so clearly belonged had been swept away: the jazz age was at hand. The Breton legend of the knight Amadis de Gaule who, unaware of his true identity.

slays his lost twin hrother Galaor in combat for the hand of the Princess Floriane, had heen treated operatically hy Lully, Handel and J.C. Bach. Massenet's setting of Jules Claretie's prose libretto has affinities with Le Jongleur, Griaffinities with Le Jongleur, Gri-sélidis and perhaps most of all with Cendrillon. Why — per-sonal reasons apart — did he hide it away? There are things that at an earlier stage of his career might have disconcerted the larger public he was patho-logically afraid of losing — for example the use in act one of example the use in act one of mime and spoken melodrame or the downbeat ending of act two. Throughout there are signs of super-discreet experiment likely to be overlooked by large audiences armed with handkerchiefs. Amadis is a musical equivalent of a fairy-tale illustrated in Pre-Ra-phaelite or Art Nouveau style one stage direction for a costnme expressly mentions Burne-Jones.

This first-ever recording,

made in Paris, was based on a production at the Maison de la Culture at Saint-Etlenne with a cast of promising young French singers and with orchestra and chorus from the Opéra. The conductor, Patrick Fournillier, is clearly someone to watch. Hélène Perraguin, the mezzo Amadis, has a boldly-projected voice with an edge to it, equally suited, within the travesti convention, to chivalrous knight and yearning lover. As the hapless twin Galaor Didier Henry's grainy, forceful baritone well suggests the hidden relationship. The Floriane of Daniele Streiff is tender and distraught. Offstage voices and instruments (important in this beautifully crafted score) are handled with unusual care. Resurrections of forgotten operas don't always come off so well. French, German and English libretto.

Ronald Crichton



Talent-broker on the world stage

Michael Coveney catches up with bohemian actress-turned-impresario. Thelma Holt

EN THELMA Holt played Shakespeare, she usually did so in the nude. And, invariably, in some violent political deconstruction directed by Charles Marowitz at the Open Space in

London's Tottenham Court Road. On Monday night, as executive producer of the Peter Hall Company, she will waich Dustin Hoffman deliver his fully-clothed Shylock in the slightly more salubrious surroundings of the Phoenix Theatre in the Charing Cross

The network of associations already suggested gives a good idea of Miss Holt's invaluable but unrooted status in the British theatre. As actress, and now impresario, she straddles all artistic spheres with a blithe optimism and unshakeable belief in her own ability to

make things happen.

The Merchant of Venice flies in under the wing of Triumph Theatre Productions, the commercial company of Duncan Weldon and Jerome Minskoff based at the Haymarket Theatre, where Miss Holt last year produced her old friend Vanessa Redgrave in Hall's Broadway-bound revival of Tennessee Williams'e

Orpheus Descending.
Two days later, on Wednesday, Holt unveils her second international London season at the National Theatre ono, containing an explicit sex scene on which Princess Margaret has already commented unfavourably over dinner

HE GREEK Govern-

next month, and playing the Olympic card is popular with the voters; not because, as Los

Angeles proved, organising the Olympics need not bring finan-cial ruin. But because the first

modern Olympics took place a

hundred years earlier in Athens, and the Greeks believe

that they can roll back com-

mercialism and nationalism and return the Games to the pure idealism of the healthy mind in the healthy hody

which inspired the revival.

If anyone can convince the

beady eyed 92 officials who

next year choose hetween Athens and its rivals, Toronto,

Melbourne, Atlanta - and Manchester, it is Melina Mer-couri, the Greek Minister for

Culture. No one can declaim more dramatically on the uplifting atmosphere of Greece,

or conjure ont of fantasy a chain linking the naked ath-

letes who, for over a millenium from 776 BC journeyed to Olympus for the four yearly tourney, and the sharp hizz-

ered automatons drill march-

ing around the modern arens.
Unfortunately the main link is that the religious convic-

tions, which inspired the first athletes competing at Olym-pus, developed over time into a

chase for material awards that would chame some of their modern counter parts. Athens,

however, is not planning to win the Games hy bribes:

rather by seizing the high moral ground, ground illus-trated through a three part exhibition Mind and Body, which opened in Athens on

Monday and attempts to illus-trate the unity between past and present, between the well

trained body and the well adjusted mind. Despite failing health, the indomitable Mrs Mercouri had

gathered together a job lot of mental and physical champi-ons for the opening — the

strongest man in the world,

Alexeeye, the Russian weightlifter, representing the brawn, and Dr Jonathan Miller, the brain, with gold medallists like

the Australian swimmer Dawn

Fraser and pop artists like Rob-

ert Rauschenberg.
They had a great deal to be bemused about. The exhibition is inviolable in its first part, a

collection of antiquities in the

National Archaeological

with Royal National Theatre Director Richard Eyre (bang goes another knighthood).

And on Monday week, rehearsals begin in London for a Peter Hall Company production, supervised by Holt and directed by Adrian Noble, of Purcell's *The Pairy Queen* destined for July's Air-En-Provence festival with inserts from Shakespeare's A Midsum-mer Night's Dreom. Subsequent to Orpheus, which opens with Redgrave in New York in September, Hall and Holt get down to work on another Williams lost masterpiece for next year, The Rose

and I could only pin down Miss Holt to ask her about it during the long interval of last Saturday's unforgettable revival of the ENO's The Mastersingers.

What makes her run? "The people I work with, an occasional nip of of vodka, lots of enthusiasm and a great vodka, lots of enthusiasm and a great deal of determination to run my life in order to make things happen of which I vaguely approve. I love actors, I love technicians, I quite like some directors, and I adore travelling."

Now a glowing 56, an Irish Catholic who has been twice amicably divorced, "Holt is married to her curious mission of relatively unpaid talent broker, on the international stage. She works always

international stage. She works always with a loyal team of two, a blisteringly efficient male secretary called Malcolm Taylor and a slender amenuensis who rejoices in the name of Jane Slight but

who is really known as "Sweet-Pea."
Ont of her modest fees, she pays these two. What has she done? Let me count the ways. At the Open Space, with Marowitz, she produced the early work of Sam Shepard, Michael Weiler and Trevor Griffiths. At the Round House she forged an association with the Rustaveli Theatre of Georgia, one of the great post-War companies, that reverberates to this day (the recent Russian season at Hammersmith was a direct spin-off); and with the Royal Exchange in Manchester and the Clas-gow Citizens, on whose board she now.

Hall was on her board at the Round House. Noble directed a magnificent Manchester Duchess of Malf: (with Helen Mirren and Bob Hoskins), which paid a visit; as did the Citz who failed with Don Juan, but who will only now contemplate London if she is involved. Vanessa Redgrave, whom she is involved. Vanessa Redgrave, whom she understudied in A Touch of the Sun in 1958 ("Luckily I never had to go on, understudies wear the given clothes, and I was, and still am, 5ft 4ins, whereas Vanessa, as is well known, is six foot something") will not leave home with

comes to life when it gets to

the Body through the enthusi-astic application of modern technology. There are banks of machines which, at the press

machines which, at the press of a hotton, give yon the details of every Olympic winner since 1886, and if you are lucky a photograph of the champ. There are two giant screens where you can conjure up highlights from old-Olympics, going back to film of the first modern games. All the film of early Olympics is totally gripping, illustrating the amateurishness of the events in the finest sense of

events in the finest sense of the word – one steeplechaser is captured helping another out of the water jump. In com-parison the modern film pres-

ents the Olympica as show business, a television opportu-

good news site took to Aix from Kent (Open and the RSC). And, stemming from her Round House days and its powerful board, she can still pick up a telephone and raise instant financial support from Robert Maxwell, or Cyril Stein of Ladbroke's, or the oil people at Arco.

-I offer this sketch merely to indicate Toffer this sketch merely to indicate
the bohemian, improvisatory nature of
British theatre at its sharper end. People who devote their careers and talents
to broadening our limited cultural horicons — Holt, the organisers of the biennial LIFT festival, the late Sir Peter
Daubeny, Pierre Andi of the Almeida,
Neil Wallace in Glasgow and the current inspiration of Mayfest, William
Burdett-Courts — are pitifully ill
regarded by the institutional nabobs,
Already the National has indicated that
all future international bookings will be all future international bookings will be in the gift of a new Eyre appointment, an arts educationalist and bureaucrat returning to Britain from Australia, as Head of Touring.

Holt is philosophical. She will merely pack up her bags, and her telephone directory, and move on, with Malcolm and Sweet-Pea, to the next staging post. And following her there will be many of out calling Thehna:

This promiscuous avallability is a great part of her success. She was the marriage broker, no question between that has not progressed all that far beyond last year's unseemly threats of fall-out and legal action. Noble was the method of the most significant talents in world the most significant talents of the most significant talents in world the mos

Radio A little light music

PRING HAS brought an outhreak of light music to Radio 3. It began last Saturday with Rohyn Archer's Cabaret Passe, virtually a one-woman show that did its best to be sophisticated in the sense used by people who have never looked that word up in the dictionary. 1 found too little wit in the songs, even the Brecht one, or in Miss Archer's straightforward singing of them. But I liked her little supporting group.
Then on Tuesday came

repeat of Kurt Weill's Lady in the Dork, and here was "sophistication" enough and to spare. The story, hy Moss Hart, is about Liza Elliott, a woman magazine editor who cannot make up her mind, and con-sults a psychiatrist. Could she be in love with the star, Randy Curtis? Dr Brooks (Richard Griffiths) analyses a fine selection of her dreams.

The lyrics are by Ira Gershwin, full of fun and clever rhymes. The satire comes from the late 1930s, hut seems to have been brought up to date for this Scottish Opera produc-tion, with Shostakovich taking over from Stravinsky. It still works wonderfully well. The music is light opera music par

excellence, tuneful, cultivated, admirably suited to the lyrics, sort of Richard Rodgers plus. Plus what? Sophistication, of course. Liza Elliott was admi-rably sung and played by Patricia Hodge: Charley Johnson was Martin McEvoy. The con-ductor, and editor of the music, was John Mauceri.

There is a surprising element of cultivation in the early records of black gospel singers that Francis Wilford-Smith played last night in A Highway to Heaven, his history of soul music. The oldest of all, recorded in 1902, might have been an English glee-club. Presumably it was the increasingly adventurous gramophone companies rather than an actual change of racial style, that led to phrasing nearer to speech rhythms than to music classes; for when we hear solo singers like Ella Hall instead of the fashionable harher-shop groups, the singing begins to suggest black music of our own time. This was the first of

eight programmes.
Radio 4's new Friday afternoon serial is Charlotte Bronte's Villette. Its first instal-ment hegan with a thunderstorm at Lucy Snowe's Belgian girls' school (for Villette is really Brussels). Valerie Wind-

sor, adaptor of the text, has retreated into Lucy's recollec-tions of her youthful days with her godmother Mrs Bretton, and the childhood antics of six-year-old Polly and 16-yearold Graham.

But Lucy, who tells the tale in the first person and the present indicative, is pretty soon left without relatives, without a home and with just 15 guineas to support herself on. This is enough to take her to London and thence to Vil-lette in search of a living, and despite her lack of either baggage or reference, she is taken on as a teacher at Mme Beck'e

school for girls.

The adaptation is pretty faithful; the fact is that the novel, which tends to read like a dramatised version of a young woman's diary, is ideal material for a serial of this kind. Joanna Mackie as Lucy hasn't been set at any serious acting problems so far, hnt was acting problems so lar, him was properly self-composed. Ann Rye was a homely Mrs Bretton, Saskia Downes did what she could with Polly, whom even Miss Bronte made a freak, and John Middleton's Graham was a convincing schoolboy. Kay Detrick is the director.

Patrick is the director.

Don Juan Hurtado's armada
in The Sea Voyage (Radio 3. Tuesday) has crossed the Atlantic – had weather to begin with, then a truly Men-delssohnian calm sea. They have found and traversed the Magellan Strait. Young Simon Perez (John McAndrew), bastard son of the padre, is pushed into greater responsibility by Don Juan's favour and his father's death from a social disease. There is what seems to me an outhreak of heresy, but we shall see next Tuesday. B.A. Young

ART GALLERIES

MARLEGROUCH, 6 Albemerts Street, Williamportant Works by 19th and 20th Century Maskers, 3 May = 8 June, Mon - Fri 10-6.30, Set 10-12:30. 01-825 5181, GALLERY LINGARD, 50 Pail Mail, London SW1. Tel: 01-930 1648, TWO PIONEER MODERNISTS - Reginate Uren (1903-1986) and Tent Bills (1911-1986), An Exhibition of Early Architectural Designs, Wed 17 May - Fri 30 June, Mon-Fri 10-en - 530 pm.

LEGER, 13. Old Bond Screet, W.1. 01-629 3530, British Peinding, Mon-Fri, 9:30-5:30.

ALLANS GALLERY - Hand Embrodiered Silk Pictures. A superb new collection is now on deeplay, Cets, horses and dops so real you'll want to stroke them. Lower Ground Floor, Allams Famous Silk Shop, 56/53.

Duto Street, Groswoner Square, London, Wiln Chils, Mon-Fri 9-5-45 Set 9-1, Tel: 01-529 3781

Same Richardson 'Hot Shadows' Sh - 20th May Watercolours and Prints of Mediterranean Scenes. Original Limited Edition Prints olways available by leading artists, Piper, Gorg, Fraser, and Clarice. Colour Catalogue available Mon - Fri 9:30 - 5:30 Set 10 - 4, 01-69-6701

PARKING GALLERY 11 Modernib St. SW1 Gi 238 5144 VINGINIA POWELL new work - 18 May.

Herculean task ahead ment is desperately keen that Athens should host the 1996 Olympics. Not because it has a tricky election on its hands

Can the Greeks bring the Games home to the cradle of culture? Antony Thorncroft reports from Athens revival is hardly expressed through designs for theatres and churches. But if the Mind is inade-quately covered, the exhibition



Wrestiers in the Mind and Body exhibition

Museum hringing to life the classical Games through vases, statues, gravestones, murals, etc. The British Museum and the Louvre have added to the local treasures and the impact is powerful – most notably the tangible survivals, like a dis-cus carrying a dedication to Zeus, dating to the 3rd century AD; a weight, grasped in the hand by a long jumper to help his forward thrust; and the mammoth stone which Bybon raised with one hand to win his olive wreath over 2,000

years ago. Not all the material justifies Mrs Mercouri's idealism - the boxing scenes on some of the vases suggest a victous side to the Games, and many of the events were geared to improve

the athletes' martial skills. But the exhibition is a delight — it

the exhibition is a delight—it also, with its clear presentation, shows up the inadequacies in the display of the permanent collection.

Across town in the National Museum is a very different extension of the theme. Attempting to present the rebirth of the Chympic ideal through the enthusiasm of the Frenchman Baron de Coubertin in the late 19th century. tin in the late 19th century, and on to contemporary times, the organisers came badly unstuck. A few modern statues of idealised youth are embar-rassingly mert compared with the cracked and broken remnants from antiquity, and the natural desire to show Greek involvement in the Olympic

nity, concentrating on winners and personalities.

Another exhibit vainly tries to draw those warring elements – the Body and the

Soul, the modern and the antique - together by alternat-ing screens of filmed action with stills taken from Attic wases and friezes. Once again the ritualistic treatment of the Olympics in antiquity jars with the modern gamesmanship.

There is one more exhibi-tion, of contemporary Greek art built around the themes of sport and motion, at the Zap-peion. It has a garish immedi-acy but it is hardly worth a special trip.

Taken together Mind and Body represents the Greeks concentrating their pitch for the Olympics on an emotional appeal to the past, ambitiously arguing for a Games to celebrate the complete man. It seemed natural that in appealing for the Games Mrs Mercourl should also appeal for the Elgin Marbles. She announced an architectural competition to huild a hadly needed new museum at the Acropolis, a museum which would leave space for the Parthenon frieze in the British Museum. Her chances of getting the Games Taken together Mind and chances of getting the Games seem better.



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All is swept up in surreal hilarity

At the Cannes Film Festival laughter is used as a weapon to shock, reports Nigel Andrews

dream that I am at the Cannes
Film Festival enjoying all the
films." "Dear me. Have you
had this dream in previous
years?" "Never." "Do you
dream that this enjoyment is
shared by others at the festival?" "Not at all, doctor. A
lot of people are walking out of
the movies I like or even
booing them." "Humm. I
think perhaps you should take
a holiday. This may he much
more sarious then wa
thought."

It may indeed. Life in Even when you escape to the

It may indeed. Life in Cannes itself continues to be

more like a holiday than a film festival. As in my last dispatch, audiences here are being bom-Even when you escape to the festival's Market section

those back-street cinemas where critics and film-makers mingle in non-competitive framingle in non-competitive fra-ternity — you are doomed to languist. Paul Bartel's Scenes From The Class Struggle In Beverly Hills, a kind of Holly-wood Wives gone baywire, competes for your chortles with Bill Forsyth's Breaking In, a heist comedy that restores Scotland's favourite son to the land of laughter after the over-earnest hell of Housekeeping.

Housekeeping.
Not even the festival's "serious" movies can quite be trusted Films like Shohei Imamura's Black Rain or Spike lee's Do It The Right Way keep sending furtive signals to the funny-bone, much as small children will misbehave at

Lee's skilful tale of race tensions in midsummer Brooklyn

when America's athnic
melting-pot comes to the boil
in a 100-degree heat wave—
ends in a killing and a riot. But
before that, the technique is a before that, the technique is a sulper's: cleverly puncturing expectation with witty saides or non-realist impromptus (like a quick-fire montage of racist thrades, as stylised as Cyrano's famous "nose" aria.)

The Japanese film portrays the after-effects of the A-bomb on a 1960 family in Hiroshima. Solemn shuff, but as if aware of

eron stuff: but as if aware of the laboured solemnity of much of its treatment (monomuch of its treatment (mono-chrome photography, limping dialogue and plot exposition) the film keeps breaking for comic interiudes. Old fisher-men witter on about the heal-ing power of carp's blood; a crazed villager keeps dashing out from his home to attack needing wans. (He hears in passing vans. (He hears in them the returning rumble of the Allied Armageddon.)

If we are to giggle most of the way to the Cannes closing gala, who could complain? As of now, I would slice the Golden Palm in half and share



and Time Of The Gypsies. Neither uses laughter as a com-forter nor invites it as mockery. Both use it as a guerrilla weapon: to surprise the mind and heart, to shake them or shock them into new thoughts and feelings. (Shock is the word: both films won boos or walk-outs from some sections of the audience.)

Jane Campion's Sweetie plays a hide-and-seek game with human hopelessness. Two Australian sisters with mental problems – Kay (Karen Colston), slim, nervous and phobic about trees, and "Sweetie" (Genevieve Lemon), fat, emotional and failed in show-business – battle it out with life, parents, boyfriends and each

Surrealism reigns, often at fever-pitch. Kay, when not quarrelling with live-in Louis, charges off with him, Dad and her small child to join distant Mum in a sort of Outback cowboy town, where Mum seems to be resident cook-chanteuse. (These scenes are like Blazing (These scenes are like littrang Saddles gone buckaroo.) And Sweetle, when not chewing china animals or wrecking Kay's home because she was left out of the trip, is painting her body black and yelling her body black and yelling blue murder at the returning family from a tree-top.

ing eccentrics in a foil of natufined: Chagall meets Marquez on the dark side of the Danube. ing eccentrics in a toll of naturalism, Campion gives the whole movie the glint of visionary madnuss. The colours and camera angles suggest Diane Arbus let loose in Wonderland, Cinematographer Sally Bongers is the first woman ever to "lens" an Australian feature film: first of many, if they're all this good. The movie comes down to earth in its middle hour, steering us through the tale of a young village boy who stumbles into a life of crime and wanderlust with a gypsy Fagin. But back on course for the finel of the religious the religious. its finale, it revisits the village and frames the tale in a gilded many, if they're all this good. And the storytelling combines delirium of make-believe.
Funny and fantastical.
The best film ontside tha competition has been Atom Egoyan's Speaking Parts (Directors Fortnight). As stylised as the young Canadian's 1988 success, Family Viewing, this mixes weird dialogue (Beckett out of Bresson) with an even weitder plot and cast and the storyteining combines comic anarchy with a sure, elastic homing instinct. The family that falls apart together keeps glueing itself together again: touchingly, untidily, just like Kay's china horses. The movie is funny and shocking, ridiculous and sublime: a true original

true original. Time Of The Gypsies may miss this year's Palme d'Or since its director, Emir Kustursince its director, Emir Kusturica, won the prize in 1985 for Father Is Away On Business. But the film's winged first half-hour scoops us up and takes us to celluloid heaven. "Magic realism" has never been more magical than in this gypsy village. Pet turkeys flutter through rooms like wrathful household gods; a bride in white flies through the midnight air in a girl's waking night air in a girl's waking dream; a vengeful son lifts his parents' entire home into the air, on a stormy night, with tractor and towing cable.

The miraculous is uncon-

the latter a surreal, ectoplas-mic life all its own - and creates a macabre and brilliantly convoluted moral comedy. Less brilliance from our own film-makers at Cannes. British cinema has chosen 1989 as one of its "No, we won't come out and play" year. In 1988 we were the brightest boys on the

all tumbled into a tale of sex, love, emotional blackmail and

home movies. Egoyan freely mixes film and video – giving

This year all we can boast is a couple of British Film Institute curios and some out-of-town try-outs in the Market section. (Most, I fear, should stay out of

town and keep trying.)
Only Ian Sellar's Venus Peter raised a ripple of non-British interest: a gently gilded tale of growing-up in a Scottish fishing village. But it is flawed by ing village. But it is flawed by stylistic inertia and by too many well-known actors (Ray McAnally, David Hayman) giving well-known performances.

Also disappointing is Kenneth Branagh's keenly awaited Henry V. Filmed in sets sombrely lit to disguise their shoestring provenance, the film is dismayingly claustrophobic for about an hour, after which it is

an even weirder plot and cast of characters. A film-maker, a woman screenwriter, a gigolo, and a hotel chambermaid are about an hour, after which it is dismayingly al fresco. In grey, rainy landscapes and on mnddy, war is hell battlefields, Shakespeare's verse never -or seldom - catches fire. (Branagh's "Oh God, of battle" speech is an exception: so is Paul Scoffeld's whole performance as the French King.)

Worse still, one keeps suspecting that Henry's army is really a band of thirty-odd British actors rhubarbing away in a bid to persuade us that they are several hundred. We are not convinced. Good moments. A goodish Battle of Agincourt block (see Distant Voices, Still Lives, A World Apart and Co.). Otherwise, once more unto the drawing-board, dear friends.

Sci-fi addicts' evening

reviews 'Slaughterhouse Five' at the Everyman, Liverpool

THERE IS science-fiction in Kurt Vonnegut's novel, and war, a barber-shop quartet and a touch of sex, but these are not what Vince Foxall and director Paddy Cunneen chiefly exploit in their adaptation. What concerns them is the author's wise criticism of earthly society as it was demonstrated at the time of the Dresden bombing, which he experienced from an air-raid shelter — Slaughterhouse Five.

One of the features of Tralfamadore, the planet to which Vonnegut's hero Billy which vollegals liefo bay Pilgrim is transported, is that time is continuous, so that there is no "now." Everything that has happened, or will happen, exists for ever. Foxall and Cunneen, like Traifamadoreans, try to put on the stage everything in the book with no strict adherence to the order in which it occurs

The main events are these:
The German capture of Billy
Pilgrim (Peter Darling) and
three fellow-soldiers during
the Battle of the Bulge; their transfer to Dresden and the bombing; Billy's committal to a mental ward, his wedding, saucer; his exhibition in a Tralfamadorean 200, where he delights the spectators by mating with film-star Montana

There is no way of making it into a coherent drama. But the book is full of apparently unimportant incidents that Vonnegut uses as examples of human behaviour, and a capable dozen-strong company brings them to life. There is the generous reception of the Americans by British prisoners (busy acting The Wooden Horse). There is Lazzaro (Barry Birch), determined that after the met by Mill have everyone the war he will have everyone assassinated who has angered assassinated who has angered him. There is ageing Derby (fine playing by Bev Willis), shot for looting after picking up a stray teapot. There is the recruiting speech of Howard Campbell, the American Nazi.

Away from the Army, there is Billy's air crash, not to mention his wedding. Easily forgettable are the meeting in the crazy ward with Eliot Rosewater, a visitor from another novel, and his books by Kilgour Trout, also from another novel.

Vonnegut himself, vigorously played by Jeff Nuttall, sits at a typewriter in the middle of it all, trying to recall his experiences and Billy's. You must know the novel to hope to follow all that goes on, and the theatre was noticeably less full after the interval than before. (Two whole rows of teenage boys had gone.) But there is enough to illustrate Vonnegut's philosophy, and I found some moments pretty good. Two bombed-out Dresdeners with their sympathy for the exhausted enemies almost made me weep.

It is immediately after Billy has told his interplanetary captors about the harshness of earthly life that we cut to the bombing. There are no bomb-crashes, but a fortissimo rendering of the De profundis from Fauré's Requiem, surprisingly effective. Fauré is brought in a moment later when, after the Dresdeners have shown their kindness, Derby is shot to the sound of Pie Jesu. This is an evening for addicts only.

Venture up the Garden path

Andrew Clements samples the first fruits of a new opera scheme

A FTER SEVERAL a second time, and it must be Garden Venture was surely for quite hitting the right fronic decades in which they were places to be shunned by any image-conscious radical composer, opera houses are now in, and getting the chance to write an opera, any kind of opera, is evidently regarded as a Good Thing. That belief appears to be the rationals behind tha Garden Venture, the theoretically admirable scheme hatched between the Royal Opera and The Independent newspaper to fund a scheme for composers to take the first steps on the long road to writ-ing a full-scale stage work. Independent readers stumped

Funny and fentastical: scene from "Time of the Gypsies"

almost £100,000 to spousor the productions, and the Arts Council found the commission fees. The results are displayed this week and next at the Donmar Warehouse in Covent Garden - seven more or less mini-operas distributed across two programmes, and in the event offering a uniquely depressing experience; of the seven there is only one that I would willingly experience for

rare for a project of such intrinsic worth to fall so comprebensively in its realisation.

The whole hapless enterprise raises a host of questions. Having dreamt up the scheme, how was it then put into practice? Who selected the seven lucky composers, and what criteria were used in that process? And having made the choice, who exercised editorial control over the finished products? Was no one in a position to reject a piece simply because it turned out half-baked or inexpert, or was anything to be allowed in the name of old-fashioned lib-

eral experiment?
How, for instance, Edward
Lambart's Caedmon was allowed to reach the stage at all remains one utter mystery, and why Lambert should have been given the opportunity to spin out his fundamentally unoperatic theme for 90 minntes when the others did not stray beyond their allotted half-hour spans, is another. When one of the implied chalnges and strengths of the

- 11

find a means of packaging a properly shaped and dramatic-ally credible piece of music theatre into a defined small span, the inclusion of a piece that blithely ignored all such constraints seemed somewhat tactless, especially when more than one of the other operas suffered from over-compression, and might well have been more successful with the addi-tion of five or ten minutes'

With Lambert's work the Venture reaches its nadir, pro-viding the base line against viding the base line against which the other offerings could be measured. Nothing else was as thoroughly dislikeable as Caedmon. Andrew Poppy's The Uranium Miners' Radio Orchestra Plays Scenes fram Salome's Revenge expended all its humour on the title, and proceeded to cram far too many ceeded to cram far too many dramatic and literary ideas dramatic and literary ideas into the deadly earnest libretto, while Michael Christie's reworking of a Rilke prose-poem, The Standard Bearer (libretto by John McMurray) lacked enough distinction in its musical ideas to make a serviceable outline into a credible theatre piece. Both Peter Wiegold's Last Tungo on the North Circular and Kenneth Chalmers's Soap Opera, to a neat text by Felicity Hayes-McCoy, tried to capitalise upon the stock situations of popular drama, without every

June 8 - July 9

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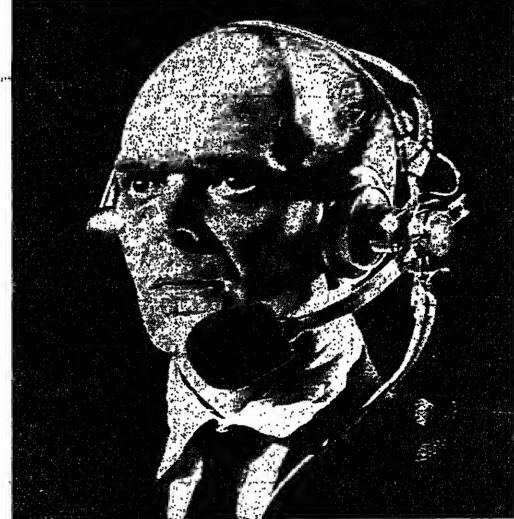
Daily 10-6, Sats 10-4

3 Mins. from Harrods

very close to bringing it off.

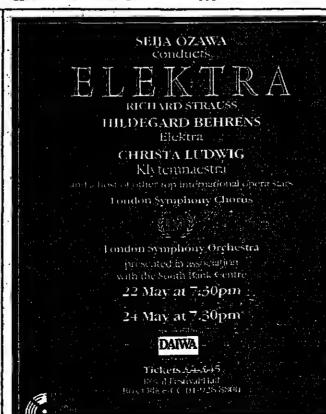
Tha most convincing pieces were Priti Paintal's Survival Song (libretto by Richard Fawkes) intended as a study for a full-length opera on the life of Steve Biko and working through the events leading up to a necklace killing with uncomplicated directness, and Jeremy Peyton Jones's The Menaced Assassin which treated a story by Edgar Allan Poe with some skill and sense of theatrical style. Even those works, though, lacked genuine freshness: it is hard to believe that seven composers given such free rein could not have come up with at least one original dramatic idaa between

Performances appear to have been most thoroughly prepared and the singers, many of them taking roles in two or more operas, were impressivaly involved. Susamah Self in the Poppy and the Christie, Alison Truefitt in the Wiegold and the Peyton Jones, and Gerard Quinn as a reptilian South African policeman in the Paintal deserve special mention. But their efforts could have been so much better targeted; the sense of an opportunity squandered is hard to resist and were I one of the subscribers to the project, I would not have been reassured by the way in which my money appears to have been spent.



Andrew Balley in "The Unranium Miners Radio

popular drama, without every ART SEIJA ÓZAWA COLLECTING conducts. WITH A FUTURE The impressionists: The Picasso/Matisso generation are HILDEGARD BEHRENS enormously expensive. Somewhat less are Henry Moore, CHRISTA LUDWIG LOWIY. Klytemnaestra Sutherland etc. But English & American London Symphony Chorus Naive Art is inexpensive, colourful, refreshing and uniquely decorative. London Symphony Orchestra The big auction houses in presented in aspeciation the U.S.A. state
prices will soaring. 22 May at 7:30pm ½ See our exhibition of quilts from





Pick of the week

A German Reichsadler Humpen, inscribed and dated 1662. Estimate: £4,000-6,000.

THIS finely enamelled German Humpen' bears a portrait of the Emperor of the Holy Roman Empire

flanked by portraits of the seven Electors of Germany. While the elaborate enamel decoration, with the crowned Imperial Eagle, is typical of such glassware, the inclusion of the portrait medallions is most unusual. This glass is to be sold in the sale of English and Continental Glass and Paperweights at Christie's, King Street on Tuesday, 23 May, 1989 at 10.30 a.m. and 2.30 p.m.

For further information on this or any other sales in the next week, please telephone (01) 839 9060.

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Dalglish: a man for the moment

Ian Hamilton Fazey meets a dignified football manager

HEN the hour came, the man emerged. Kenny Dalglish surprised a wide public in the weeks after last month's Hillsborough

supposed to be press-shy, lack-ing in public relations skills, mockingly laconic with sports journalists and capable of punshing inane questions as summarily as be would a bad back-pass to a goalkeeper on the

field of play.
Suddenly, with quiet hut firm leadership, be was demonstrating a compassion and dignity that at first focused grief but then started turning people's minds to life's having

to go on.

This did not fit the image presented previously by a mass-market sporting press which prefers its football managers to be either flamhoyant egomaniacs, often with trou-bled private lives, or potential victims of capricious chairmen for not succeeding well

Today he will lead his Liverpool players onto the field at Wembley in the FA Cup Final against Everton, Merseyside's

other great football club. In his office under the stand at Anfield, Liverpool's stadium Daiglish tucked into his mid-morning plate of hot huttered toast and wondered why anyone should think he had ever done anything unusual, not only in the Hillsborough after-math but in his long career as a world-class footballer.

"Parents set the standards for their children," be said. "My father always saw himself as fortunate to have a joh. We lived on a council estate in Glasgow and he worked on diesel engines. My parents set the

mould for my sister and me.
I learned early on that you have to work at your skills if you are going to do anything with them. I have been fortunate, really. I played for Celtic when they had their most suc-

very fortunate with the span of my career, playing for Liver-pool at their best and for Scot-land in an era when they qualified for five World Cups.

"I never allowed the adulation of the crowd to carry me away. I'm not special. In family away. I'm not special in family life you have to help each other. I have got a family of my own now who know me simply as Dad. If I didn't keep my feet on the ground, I've got a wife, Marina, and four children who would soon hring me back to earth."

Peter Robinson is Liverpool's chief executive and has pro-vided the cluh with administrative stability since 1965. He is another anti-flamboyant mem-ber of the Anfield hierarchy.

"No one bere was remotely surprised at the behaviour and dignity of Kenny Dalglish. We are all fairly ordinary common beings. We think and behave like ordinary people because we are ordinary people," be

Dalglish says: "We were just trying to belp people. They have always helped as supporters. We supported them when they needed us. It's what families do. This cluh is like a family. It was 95 members of a family we lost. When you lose people in your family you all help each other."

Tony Ensor says that the family approach is also the key to Liverpool's playing success. Ensor, one of eight members of the Liverpool board, is probably the most uniquely qualified foothall cluh director in Britain, for he is a recorder of the Crown Court and sits regularly at Preston. He is also

the club's solicitor.
"No one is treated as superior at Liverpool. No one is allowed to be a prima donna," Ensor says. "The older players belp the younger ones keep their feet on the ground. The trainers behave like regimental sergeant majors of old. Before Kenny became manager you should have beard the way they used to boss him and



Kenny Datglish: Liverpool's compassionate manager

Graeme Somness around. "I find it very telling that a brilliant footballer like Peter

Beardsley, who cost Liverpool £1.7m when we hought him from Newcastle, makes no bones whatever at helping to load and unload the kit from the team bus."

With Liverpool's team as crammed with talent today as at any time in the last 25 years, he sees Dalglish's leadership as crucial in keeping the club's one for all and all for one

philosophy going.

Dalglisb's predecessors—
Bill Shankly, Bob Paisley, and Joe Fagan — were either fatherly or avuncular. Dalglish can lead directly by example. It is difficult to shirk in training and be able to look Dalglish - who has always worked as hard as anyone else - in the eye afterwards.

Not that he tries to make players into something they are not. "You always succeed much more as a team than you can as a collection of individu-als. The club is bigger than any player – always," he says. "You get within the frame-

work of a team people who get more publicity than others or who are more popular. Every-one won't be the same type of person. We're all different and I can't expect people to be the sams as me.

"I respect people for what they are or what they do or achieve. You cannot succeed by trying to make everyona clones of the manager. I do what I think is right and I just hope that I make more good decisions than bad ones, "What else am I but a combi-

nation of 38 years of living. I couldn't point a finger and say that a particular thing was relevant to this, that or the

If Liverpool win today and then score a win and draw against West Ham and Arsenal next week, they will achieve the Football League and FA Cup double for the second time, lift the Cup for the fourth time and the League title for the 18th time.

The club as a business will probably also make about 10 per cent on between £6m and £7m of turnover, the 19th year

of profit in the last 21 - and this despite prices that are about 60 per cent of London's clubs because of the depressed Merseyside economy.

However, sales volume from 40,000 people is enough to keep ahead, though the few hundred holders of the club's 12,000 shares - current market value is about £300 per share - are never paid a dividend but can count on getting tickets.

Ensor says that morally the real shareholders are the regular fans. Robinson says that all profits go into buying players or towards ground improvements, so the fans get the benefit in the end from continuing efit in the end from continuing success and increasing comfort. The fans are the market and the club serves them.

Dalglish says: "Despite its success, this club has never lost its roots with the people. If you lose touch with reality, you are lost."

Today's reality is that Ever-ton will be trying to bring Liverpool down to earth, it is fitting, in the Merseyside soccer family, that it should be no

The secret life of a county

EICESTERSHIRE the cricketing county now that's what I call a difficult subject. Leicestershire the home of fox-bunting persons is the nearest the county gets to a public image. And the character of its cricket is so much an inside story, so curious and con-cealed, that even its native players have problems describ-ing it.

ing it.

Les Taylor, a born and bred county patriot who shoots game, hunts foxes and has been playing cricket for Leicestershire since 1977, sums it up tershire since 1977, sums it up with a shrug and a smile:
"Well, it's just Leicestarshire."
No one would argue with that, but it is only true in the sense that black pudding is just black pudding until you have tried it when it tends to produce strong feelings one way or the other.

or the other. In the minds of the general public Leicestershire would be hard put to it to produce more cricket associations than David Gower, whom people have heard of because he is captain of England for this summer's Ashes series and was captain of England for the disastrous 1986 tour of the West Indies. In the minds of the cricket-loving public Gower is well known as captain of England and of Leicestershire, but is most somired because, when he is in form, his batting is like a Shakespearean sonnet.

Once you are used to Leices-tershire cricket, it does have its share of high spots, and its quiet spots are sometimes deli-ciously eccentric. It has always had a small, strong local ele-ment. Astill and Geary, for ment. Astill and Geary, for example, faithful, popular, perennial, extremely talented all rounders and bastions of their county's cricket in the 1910s, 20s and 30s, were local with a vengeance. But, because Leicestershire is a small county with a small population such players were always. tion, such players were always liable, as they are pretty well certain these days, to be dis-placed by imports. In 1938 Charles Dempster, the New Zealand opening batsman, took over the captaincy from Astill.

In last Sunday's Refuge Assurance game at Leicester, Les Taylor and Nigel Briers represented the local tradition at its most unassuming — Tay-lor was twelfth man; Briers was bowled by Jarvis for 5,

though that does not do justice to Briers's contribution to his county's game. Both his par-ents either played or worked for local cricket clubs and Nigel, the Briers of the momant, had a greater moment last year than he had last Sunday, when he caplast Sunday, when he cap-tained Leicestershire while Gower was absent. Even so, he does not find it easy going at

The most useful contribution to Leicestershire's annihilation of Yorkshire came from their Guyanan Chris Lewis, whose 9 overs of acrid medium pace took 3 Yorkshire wickets for 9 runs, and their Antiguan Winston Benjamin, whose 9 overs of speed took 2 for 28. Yorkshire were all out for 89. The rest of the Leicestershire team were pick ups from Cheshire, Middlesex, Durham, Yorkshire and Kent. One of Kent's early

Teresa McLean takes a look at Leicestershire cricket

exports to Leicestershire was Gower, His 35 not out, gracious but erratic, was the outstand-ing episode in Leicestershire's

batting that day.

This kind of cosmopolitanism, alongside a nugget of home grown players, is just one example of Laicestershire's double-edged cricket personality. The county established itself early on as a radical as well as a conservative force in cricket. In 1935 Astill, Leices-tershire's local pre-war star. became the first professional captain in county cricket, at a time when Leicestershire was still overflowing with clerical gentry. Its cricket could only accommodate a certain amount of gentlemanly unreliability if it was to survive.

Early in the century Albert Knight used to kneel and pray for divine assistance in surviving the bowling. In 1932 there were no fewer than six captains of Leicestershire. Ama-teurs could afford to be whimsical and such were their triumphs in this respect, including a mid-season depar-ture to plant tea in Sri Lenka, that Astill was appointed pro-

fessional captain amid considerable rejoicing. This was accompanied by self-congrain-lation when the county immediately rose to its highest ever position, until then, of sixth in the county championship. Leicestershire's radical/con-

servative honours were divided between the dying, but proud, breed of amateurs and the fast-growing breed of profesfast-growing breed of profes-sionals imported on the free trade market in players. Leicestershire was the first county to offer the Australian tourists a lump sum for a match, whatever the size of the crowd, and the first to try the new one-day programme in

Best of Leicester County Cricket Cluh's radical efforts Cricket Cluh's radical errorts was the April 1947 proposal to start play at 1pm instead of 11am and carry on, with no inucheon interval, until 8pm, making it possible for Leicester's cloth workers to watch an evening session. The idea put the editor of The Times off his lunch and was rejected.

tunch and was rejected.

The cloth and the county town element still loom large, though not, I think it is fair to say, majestic in Leicestershire's cricket, and can still provoke deeply felt reactions.

On paper the county's pace bowling is good, its spin bowling a bit patchy, depending on what Willey feels like, and its batting is good but too dependant on Gower. He will be condant on Gower. He will be con-scripted into national cricket service against the Australians

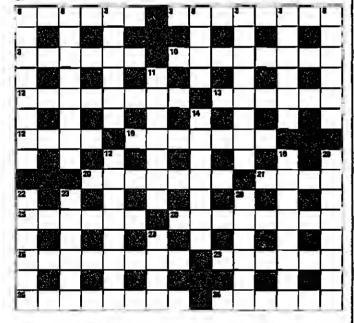
often this year, leaving Leices-tershire with adjustment prob-lems over batting and, most seriously, over captaincy. The cloth mills are still there. Grace Road is a large ground with quite good cater-ing facilities, backing on to a hage factory. There are still sheep throughout the sur-rounding countryside. Agnew still bowls well and consis-tently, especially now that De Freitas has taken his moods to Lancashire. The players have seen a sports psychologist and are now, officially, happy after a bad patch.

The only trouble is that Gower will be an intermittent

presence this season and, somehow, Leicestershire has a knack for not quite living up to its reputation on paper. If it can get over that, its talent is as exceptional as its cricket is hard to describe.

CROSSWORD

No. 6,939 Set by DINMUTZ Prizes of £10 each for the first live correct solutions open Solntions to he received by Wednesday May 31, marked Crossword 6,939 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday June



- ACROSS
 1 Powerful coach beset by cor-
- half school into manse for a change (8)
- 9 Cry after two hips are put 10 In stress I would shrink
- blow! (8)
 12 Archers' location of wild
- game-bird (8)

 13 Was Trollope's Slope such a
- type? (6) 15 Third man to opening pair (4) 18 Foolish talk of solitary lad
- outside (7) 20 Tearing out rock (7) 21 Miserable camp (4) 25 Lure from suthentic envi-
- ronment (6) 26 Nutty biscuits (8)
- 28 Longfellow, say, runner before the mast? (8) 29 The girl all set to come out
- (6) 30 Meeting shows how Mac is upset (8) 81 Colour of church leaders' capital (6)
- DOWN 1 Prepare for the night? (8) 2 But it is not made only for
- dippers and divers (4-4) 3 Well. French wine can crip-
- ple a borse (6) 5 Wine or pop? (4) 6 With which the typist may
- modulate? (5-3) - kneeling upon your knees" (Prayer Book) (6) 8 Mind tonic spilt on end of
- table? (6) 11 Silver ball on the beach (7) 14 High fashion dismissed in
- 17 This eccentric a liability to Wedgwood? (8)

- 18 Battle station (8)
 19 "Pea-cases" perhaps a
 work hy Turner (8) One immersed in storm centre? (3-3)
- 23 Fliers in mixed set rake with shots (6) -24 Crush the spirit (6) 27 Band of fifty in cooler (4)

Solution to Puzzle No.6,938

COLESILAW REBATE
L: USI I L. X. C. V
ASSENTILV SEGONE
I T A E J. C. R. N
MARRIJAGES RIANT
S. E. S. R. I A B. J.
DIDO SETTLED
ASM M. S. E. E. E.
S. NAPPER UIST
G. I A O N A A.
AGNES REJNFORCE
TTALLIC VOLATILE
NSI V REI SS

Solution and winners of



Mr J.I. Bramman, Leeds; Mr J.C. Burt, Heston, Middlesex; Dr L.S. Copeland, Prestwitch, Mancbester; Mr R. Stephens, Bishopstoke, Hampshire; Mr J.S. Young, London NW11.

BBC2 245 pm Network East. 325 Ferr. Thousands Cheer's starring Gene Kelly with Kathryn Grayson. 325 The Week in the Lords. 636 Civilization. 750 Ways of Sealing. 758 Newswise. 623 The Shock of the New. 230 Film: The Go-Setween's starring Julia Christie. Alan Battle and Dominic Guerd. 11:20 Film: The Quiller Memorandum's starring George Segal. Max von Sydow and Senta Berger. 1:30-1:35 am Repido.

2008 an TV-am Bresidest Programms. 11:90
The Chart Show. 12:50 ITN News lostowed by
ITV histonic Weighter. 12:55 Local News and
Weather. 12:16 pm The Cup Alternative.
"Carry On Again, Doctor" starring Kenneth
Williams, Sidney Jennes, Charles Hawtrey
and Barbara Wildisor. 1:50 The Cup Alterna-

BECT

1:50 am Fireman Sam. \$:00 Sunday Worship.
10:50 Hendinade. 10:20 Stainwas Matters:
"Make Money Make Money. 10:50 When In
Italy. 11:20 Help Your Child with Marts. 11:25
Having e Beby. 12:05 pm Sign Extra. 12:59
Country File. 1:50 News: On the Record. 2:50
EastEnders. 10:50 Files: "To Kill a Mookingbird" starting Gregory Peok. 2:50 The Pink.
Paruther Show. 5:55 Clothes Show Travel
Cassics. 5:53 The Anthreas Shockhow. 6:25
News. 8:45 The Pink.
10:40 Val Doonfoot's Homeward Bound.
7:15 Three Up. Two Down. 7:45 Ail Creathrea
Great and Small. 2:40 Messamdad. 5:10
News. 8:45 Thai's Life. 10:10 Everyman:
'Ammeniaer. 12:55 Holy Orders. 12:25 Burilners: '19:50-19:45', 11:50 Network East.

DBC2
1:85 pm International Sridge Circh, 1:35
Grandstand featuring: 1:36 Gymnastics
(Women's European Charaptership from
Brusseis): 2:16 Cricket (Wordsetzer v Surrey)
in the Rickige Assurance Lestuel; 2:00 MetarRecing (Round four of the Esse British Touring Car Champlanehip from Donington); 4:50
Gymnastics; 4:00 Metar-Racing; 2:50 Cricket,
plus during the efterneon, Footbell (Righflights of the FA Cup Final;).
2:40 The Money Programme 7:15 Promises
of Gold, 7:45 Theatre Night: Metamorphosis;
Steven Berkoffre play bessed on Franz Kafarshort story, 2:18 Nature Special; 'Hidden
Spain', 2:45 Another Wey of Telling,
110:15-11:48 Moviedrome: Alex Cox latinduces e classic illim noir, continuing the seeson of cult movies "D.O.A." starring Edmond
Obrien, Pamela Britton and Luther Adler.

EONDON

8:00 am TV-am Bresidest Programme. 225
Ghost Train on Sunday. 10:78 The Campbells.
10:85 Link. 11:00 Morsing Worship from St.
Aldates, Oxford. 12:00 Visions. 12:00 pm The
Weekland Live. 12:48 Polites 5. 12:58 Local
Neve and Weather. 10:10 TN Neves, inflowed
by ITV National Weather. 11:10 Eyewitness.
2:00 Coronation Street. 2:08 "Ansatzalia" starring ingrid Bergman. Yal Beynner and Ald'in
Taminut. 2:06 Butisaye. 6:28 The Wooderful
World of Disney.
6:20 ITN Neves, tollowed by ITV National
Weather. 6:25 Local News and Weather. 8:46
Appeal. 6:45 Highway. 7:15 Family Fortunes,
7:45 A Taile of Two Cibes. 8:46 ITN Neves,
6:56 owed by ITV National Weather. 8:55 Local
Weather. 16:56 International Busing. The Birtsh Commonweath Middleweight Champtonship - Nigel Been v Middleweight ChamptonShunning Wild. 11:16 Invitation to Remember.

BBC2

239 am Open Catego. 18:09 Hard News. 11:00 4 What It's Worth. 18:00 pm Street Hothey. 12:00 World Affec. 18:00 pm Street Hothey. 11:00 Feature Film: "Hold that Co-Ed" starting John Burrymors. 2:00 Rownd Derlynol Cwpan Libegr. Eventon v Lespel. 2:00 Pera-dice on Earth. 7:00 Carrag Atch. 7:00 Newy-dion. 7:40 Reals. 8:20 Ryth Cacen. 18:08 Chartle Ghopin Sesson." A Dog Julis' 18:08 "The Pilgrice" and 100:25 "Shoulder Arms".

CHANNEL 4

SAC WALES

tive: "Raise the Thuric" starring Jeson Roberds and Alec Guirnets. 355 The Cup Allegrative: "Murder, She Wrote: The Movie" Alternative: "Nurder, She Wrote: The Morie" starring Angela Lembury. 504 ITN News Schowed by ITV National Weether. 550 Local News and Weether. 550 Local News and Weether. 550 School. 726 Srian Corlety - The Way Up. 509 "Jake and the Far Man" starring Wilson Cornel. 505 ITN News and Sport followed by ITV National Weether, 1950 Local Weather. 1950 Hale & Pace. 1950 Local Weather. 1950 Hale & Pace. 1950 Starring Morie at the Bovies. 11:20 Drive-In Movie. "Sentural" starring Joe Panny, followed by ITN News Heedilmes. 12:36 see Sledge Hammer.

CHANNEL 4 CHANNEL 4

808 an Box Office Weekly, 2:36 The Opreh
Winfrey Shree, 2:16 Letz Classics, 2:28 Marun
Buchsternsenger, 2:36 Letz Classics, 2:28 Marun
Buchsternsenger, 2:36 Letzning Eye. 76:06 4
What Its Worth, 71:26 "Fourthern Hours'
starring Richard Besehart, 12:15 pm World of
Animation, 12:30 Dence with Ms. 1:39
Towards an Unbnown Letzl. 72:09 "A Dog's
Lite", Charried 4'e centerney', Chapita season
continues with three of his Sneet shorts, 12:43
The Pôgrim", 12:35 "Shoulder Arms", 14:39
"Every Cay Except Christman", 5:35 Brooklede Omnibus, 3:30 Right to Reply, 2:36 Challenge to Sport, 7:39 The World This Week,
12:30 "The Great Dickstor", Charlie Chapilin's
first taide. 10:25 inscien Nights, 11:25 Alber
Out.

S4C WALES

Michael Domison (Part 1). 11:45 The Chart Show, followed by ITN News Headlines. 12:45 am Pick of the Week.

\$500 am Devid the Gnome. \$300 Children of Fire Mountain. \$000 Dennis. \$255 Movie Mehal. 10.90 The World This Week. 11:50 People Programms. 11:500 The Hendenson Kids. 12:500 The Westons. 15:00 per Lost to Space. \$200 Cub X. 12:500 The Utiliset Rebet" sauring Shirtey Temple. 45:00 Worm Dances. \$255 News Summery and Yresther. \$500 The Busines Programms. 15:00 7-5 port. \$2:55 The Costy Show. 21:5 Fragile Earth. Arch Traggedy, \$1:5 The Lost in Winker" searing Print O'Toole, Katharine Hepburn and Arthrity Hopkins. 10:65 Cancer on 4 Lament of the Empresa. 10:40 am Spalling Gray's Terrors of Pleasure.

As Channel 4 excepts
150 pm Star Test, 150 Fideo E, 216 Chesasanon Cricad e Phili-drost, 846 A Different
World, 715 Pobol Tranglida, 755 Newyoldon,
750 Meietral gyda Syr Geraint Evens, 850
Hel Streen, 850 Heges Enythy Os 1989,
950 Y Duw Byn, 856 Film on Four, "Milk and
Honer".

5:89 pm Anglie News, Sport and Westhe 11:29 Starring . . Gregory Peck: "Th Souriet and the Black". BORDER

12:15 yes The S.F.A. Cup Final. Rangers and Certic, the legendary Old Firm, meet today at historic Humpden Park in the final of the Scottish Cup. Arthur Montford, who refuse at the end of the seeson, receipt the best of the action from more than three decades of Humpden Single, then at 2:09 The Final. Scie Survival. 11:20 "The Cholrhoys" starring Charles Counting, Louis Geseat A and Perry King. 1:09 err The Twilight Zone.

11:30 pm Prisoner: Cell Block H, followed b ITN News Headlines: 12:28 am Starring Doc eld Sutherland: "Ordinary Peo 11:49 per Starring Charles Bronson is "Twinky", 1:35 am Viewer's Choice Series "Time Twinel",

GRAMPIAN 12:19 per Scottport Cup Pinal Special - Live coverage of the Scottleth Cup Final Hangers v Cettle. Strip ALF. Strip Cripmagna (Geete foot ahead to the coming, week of events in the Highlands and Islands), 11:30 Feature Enr. The Chorthoys' starring Centee Dur-ing, Louis Gossett Sr. Perry King and Surt

GRANADA

TELEVISION & RADIO

SATURDAY

HTY

11:38 pm "Lone Wolf McOuade" t Cruck Norris, David Cerradine and I Carradine, 1:25 am Sieden Hemmart

TVS

\$28 per Cartoon Time. 11:28 "The Chol boys starring Charles Durolog, Louis So.

ULSTER

11:20 pm "The Cholrhoys" starring Durning and Louis Gossett Jr. 1:30 Twilight Zone. VORKSHIRE Ti:30 ms The Chart Show, \$400 pm "City Killer", starring Termics Knos. 17:20 "The Choirboys" starring Charles Curning and Louis Gosset Jr. 1:30 am The Twilight Zone.

RADIO 2

FLADEQ 22

608 am Graham Knight, 808 David Jacoba.

250 Sounds of the 80s with Peter Noons.

7800 Arms Poblingon. 22:89 Gerald Harper.

150 per Tra Nows Huddines. 12:89 Sport On 2. festuring The FA Cup Final tretween Uverpool and Everton, and the Scotlish Cup Final between Cellio and Rangers, plas Criotes.

Tennis and Golf. 450 Cinema 2. 630 Nyeelf when Young. 7:50 Pop Score. 7:38 Sounds of the 60s. 2:38 String Sound. 1055 Martin Keiner. 12:49 am Night Owle with David Gelfy.

150 Patrick Lunt presents Teightride'. 2:58-case A Little Might Music.

RADIO 3

News., 1:85 Third Ear, 1:39 Mozart: String Cuartet in A. K464, played by the Salomon Cuartet. 2:19 Brahms, 3:00 Adrian Bout: Mozart (Priano Concerto in O, K453, with Prevint, Wagner (Prelude to Act 1 of Parsital), Bax (The Gardon of Fand), Wallon (Symphony No 1). E08 Jazz Record Requests, 5:45 Critics* Forum. 8:35 Musclan Andrus Kota, Telespan (Cuentet in G), Janksch (Guartet F), Leciak (Trio Sonaza, "Scylla and Giaccua").

F). Locialr (Trio Soneta, "Scylla and Clau-cue").

7:16 "Die Gezelchneten" (The Stigmatized Orses) Franz, Schreiter's three-act opera. The nest includes Kennoth Riegel end Janta Mez-its, and Gerd Alorscht conducts the Austrian Facilo SO and Chorus, (\$505-8-17) & \$596-823 Interval talks about Schreiter end his operas, 16500 Northern Sistonier Schupert (Symphony No 2), Tchelhously (Seronede for strings), 1118 Outside in, Deve O'Heiger (searophone) and his group Gang of Teres with Lawrence Cottle (base) and Mike Brad-ley (drurne) at lest September's Jezz testival in the (fasset) Theetra, Crawley. 12:80-12:95 am News.

RADIO 4

PRADIO 4
7:50 am Today, 8:00 News, 2:86 Sport on 4.
2:30 Steaknessy, 16:09 News; Loose Ends
with Ned Sherrin, 17:20 News; The Week In
Westminster, 1:320 From Our Correspondent, 12:20 Money Box, 72:23 pag The
News Culz (s), 12:35 Weather, 1:00 News;
1:10 Any Questions? 1:55 Shipping Forecast.
2:36 News; Any Answers? 2:20 The Lady
and the Schoolmaster (s), 4:20 News; The Lady
and the Schoolmaster (s), 4:20 News; The
Living World, 4:36 Science on 4, 8:00 Conversion Piece, 8:25 Weather, 6:00 News;
Sports Found-Up, 6:25 Citizens (s), 7:10 Constraing Peasions, 7:95 Sainriday-Night Theatra (s), 5:15 Music in Mind (s), 2:56 TestTen, 8:30 Weather, 10:30 News, 18:15 The
Saturday Feature (s), 10:05 Citizens Conc Upon A
Time, 17:20 Sweet and Low-down (s), 7:145 I,
an Actor (s), 12:90-52:36 am News.

SUNDAY



ANGLIA 12:39 pm Farming Diary. 2:00 Highway to Heaven. 3:06 "Buons Sera, Mrs Campbes" sastring Chra Leibobrigda with Phi Stivers, Sholley Winbert, Peter Lewford and Telly Saveles. 8:04 Closed Up. 8:06 Coronation Street (armibus edifici). 11:15 Pisconer: Cell Block H. 12:16 am Hodson Confidential.

BORDER 12:25 pm Landmark. 2:50 "An Affair to Remember" starring Cary Orani and Deborah Kerr. 5:05 Highway to Heaven. 4:26 AU Ctuad Up. 1:1:15 Prisoner: Cell Block H, followed by ITN News Heatings. 12:16 am The Other Side of Midnight with Robert Elms.

CENTRAL 1250 pm Central Newswerk, 256 Highway to Heaven. 260 "Anastasia" starring Ingrid Bargman, Yai Brynner and Halen Hayses. 356 All Glood Up. 550 Coronelion Street (employa edition). 1116 Prisoter: Cell Block H. 1865 — I. Chille W. Parisoter: Cell Block H.

"A Tale of two Cities"

CHANNEL 12:30 pm Reflections. 12:36 Les Français Chez-Vous. 12:58 Cyril Pietcher's TV Garden. 5:30 All Chest Up. Eds The Wonderful World of Disney. 11:16 Steepe Hammer! 17:45 Scep. 12:15 cm The Spanish Connection. 1:38 The Other Side of Midnight.

1945 am The Human Face of Japan - The Career Escalator - Hris Let's Rejoka. 1145 Link. 12:30 pm Landmark. 1549 Feature First The Duke of Weer Point starring Louis Hey-ward, Joan Fontains and Richard Carlson. 549 Netsonal Shinty League Cap Flast for the Marine Hurvest Trophy. 529 AM Closed Up. 11:16 Prisoner: Cell Block, H. 12:15 am The Other Side of Midnight. 12:45 Deadure.

Serena Gordon stars in

GRANADA

HÌV 12:36 pts West Country Farming, followed by Westher for Farmera. 2:30 Charife's Angels. 2:30 Air Clued Up. 18:30 Coronation Street (Ornstus ecution). 11:15 Prisoner: Gelf Stock H. 12:16 am The Clust Show, 17:6 The Alain Defon Movie "Police Story".

HTV WALES

SCOTTISH 18-45 as Gien Miches's Cavalcade on GATV. 71:75 Link, 71:39 Sunday Service, 18-30 pes Scottleh Supplement. 8:49 Lend-mark, 3:10 The Bill (Orenbus editor). 4:28 Scottland Today. 4:20 All Gilde Up. 5:00 National String League Cup Finel. 2:39 ALF. 11:15 Grann Tara. Tibli The Grand Ole Opty. 18-16 and The Cher Side of Midnight. 12:50 Donatus, followed by ITN News Headilmas.

18:15 on Gus Honeybur's Medic Birthdeye, 19:17 Follyloot, 12:26 per Farming News, 2:08 The Fall Goy, 2:55 Gus Honeybur's Magic Birthdeys, 2:00 Aif Gusc Up, 2:26 Gorometon Street (orarbus addion), 11:16 The Highway-man, 12:15 um The Other Shie of Alidnight, 12:46 Dosabue.

ULSTER

12:30 pan Preview, 2:00 Farming Useter, 2:30 Uletter Schools Cult. 2:39 "Dr No" starring Ursuin Andreas, 5:00 All Clued Up. 11:20 Mountbetten, 12:39 am The Other Side of Midnight. YORKSHIRE

12:25 pm Grassroots Gardening, 5:05 High way to Heaver, 5:09 All Caued Up, 11:15 Short Story Theatre, 11:45 ITN News Headlines, billowed by The Chart Show, 12:45 am Pick of the West. SUNDAY

(5) Stores on FM

PADIO 2
729 am Roger Royle says 'Good mayning Sunday, 203 Melodies For You 11:08 Decomond Carrington with Your Radio 2 Al-Time Greets. 258 pm Benny Green, 2400 Alen Dell.
400 Those Beautiful Battad Years. 420 Sing Something Simple. 258 pm Benny Green, 2400 Alen Dell.
720 Cherlie Chester. 258 pm Benny Hal-Hour. 250 Your Hudred Best Tuines with Alen Leaf County Dickinson at the plano, 11:00 Pater Caylon vidth 'Sounds o' Jazz'. 1595 8th Patrick Lunk presents "Nighthide". 3:09-4:998 A Line Night Mooks.
Medican Wave se shows, except2:00-7:20 ms Sunday Sport, including Football, Cricket, God and Jeonie. 2600 Sports Report. 16d5-11:50 Big Fight Sports.

RADIO 3 Table am Mornings, at Seven. 7:36 News. 7:36
Matic Group of London, 8:38 News. 8:25 Your
Concert Cholos. 16:28 Matic Weeldy, 11:78
BBC Souther Symphony Crohestral, Mathhew
Taylor (Stalanta brevis), Schubert (Symphony
No 9). 12:25 am Stephen Bishop-NovaceMoh
(plano): Beathoven Sonate in 6 tast op 31
No3), Chopin (Nocharre in F-sharp minor Op
48 No2; Mazurfiss Op 55; Polonaise in 6-flat
minor Op 26 No2), 1:38 Third Bar, 2:39 Morceasu de Goricous. Nicholas Cox (clarinat),
and Vanocas Latarche (plano): Rabaud (Solo
de concours), Galidos-Monthrum (Konzertssuch), Widor (himodellion and Fendo). 2:30
Greek Rangiesance Composer, Matets by the
18th-Cashary Graek Composer, Francesco Londarid performed by The States. 3:16 Calebrity Rechal. Atfred Brendel (plano) is the Royal Festival Hell, London, part 1: Mezart (Verlations on a Minuet of Duport), Brahma (Theme and Variations in D Minor from the Saciet Op 18), List: (Variations on Bach's Welman, Klagen, Borgen, Zagen'), 498 New Voloss (Poet Michael Donaghy reads from its collection 'Shibboteth'). Notes: (Pest Michae) ... 2001. 1, 250 New Molecum (Pest Michae) Doneghy reads from his collection 'Shibboteh').

#20, Rectal, part 2: Bestrower (Disbetti Variations). #23 Langhem Chamber Orchestra: Shekite (Suitz: Peliesa si Meliasnode). Flavel (Le Tombeeu de Couperh). #15 The Grand Besacre. Bejinning e rapeat of John Steane's Steppart Series on opers at Covent Garden between the wars (mono). 750 A Haydh Festival, Andres Sohiff (plano), Yuuka Shiokawa (violin), Steanen Issenio, Mono, 1750 A Haydh Festival, Andres Sohiff (plano), Yuuka Shiokawa (violin), Steanen Issenio Gaston), Huuka Shiokawa (violin), Steanen Issenio Gaston), Huuka Shiokawa (violin), Steanen Issenio Gaston and Symphony. John Hopkins (The Magic Mountain), Alexander Goehr (Symphony on one Symphony Orchestra/Lionat Friand, 828 Why Timos? Dr. Pavid Danieli reflects on the endusing tasolination of Shaka-painer's 'Timor, of Athern'. 298 Beathonen String quarteles Op 59 No2 in E minor cleyed Sy his Medici Quarten, 1820 The Holy Monarcha, Mittins and Haufty for the tease of Calento Constantine and Heisen from the Greak Oct. 1239-1225 am Nove.

RADIO 4

7:30 am News. 7:19 Samday Papers. 7:16 The Liding World. 7:48 Sanday, Including 7:38 Weather. 2:00 News. 2:10 Sanday Papers. 2:06 News. 2:01 Sanday Papers. 2:06 The Week's Good Cause. Chaire Rayner speaks on -behalf of Turning Point Urstind who help problem drinkers and drug users. 2:55 Weather. 2:06 News. 2:19 Sanday Papers. 2:15 Letter from America by Alestald Cooks. 2:26 Morning Sarvice.

18:15 The Archars. 1:116 Sehind the Head-lines. 1:120 Pick of the Week Isl. 1:215 pm. Cooks. 2:26 Morning Sarvice.

18:15 The Archars. 1:116 Sehind the Head-lines. 1:120 Pick of the Week Isl. 1:215 pm. Cooks. 2:26 Gardener's Cuestion Time. 2:26 Gardener's Cuestion Time. 2:26 Gardener's Cuestion Time. 2:26 Gardener's The Uippers (e). 4:19 Wilker's Weekly. 4:27 The Education of Hymne Kaptan by Lee Rostles. 4:67 Treasure islands. 2:28 Shipping Forecast. 2:28 Weather, 2:20 The Cooks News. 2:15 Feedback: Ghris Durktey all's Dragon-Watcher. 2:28 Feedback: Ghris Durktey all's Vieweys' commercis on SSC programmes and policy. 4:20 Car's Whitkers. 7:29 News. The Rost of the Method. 2:28 The Local Methods. 2:29 Rost of Helbert. 1:28 Spron in Edde (e). 2:15 The News. 1:29 Programme. 2:29 Weather. 1:20 News. 2:15 Feedback Shipping Rost of the Local Methods. 2:29 The Local Methods. 2:29 The Local Methods. 2:29 The Rost of the Methods. 2:29 The Local Methods. 2:29 The Rost of News. 2:29 The Channel Islands (e). 1:200 In Committee. 11:20 Seeds of Fairs 12:298-12:298

